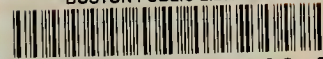


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# Individual Income Tax Returns 1986

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Returns Filed,  
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Itemized Deductions, and  
Tax Computations



Statistics of Income Division  
Internal Revenue Service  
Publication 1304 (Rev. 7-89)

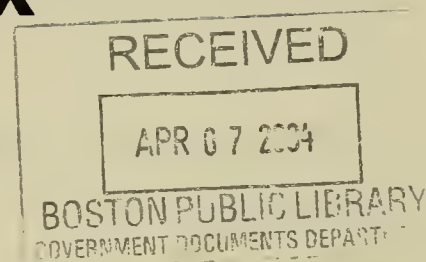
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# Individual Income Tax Returns

Publication 1304 (Rev. 7-89)



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**Fred J. Goldberg**  
Commissioner

**Charles H. Brennen**  
Deputy Commissioner  
(Operations)

**Charles Peoples**  
Assistant Commissioner  
(Returns Processing)

**Fritz Scheuren**  
Director  
Statistics of Income Division

**David Paris**  
Chief  
Individual Statistics Branch

This report contains data on sources of income, adjusted gross income, exemptions, deductions, taxable income, income tax, modified income tax, tax credits, self-employment tax and taxpayments. Classifications are by tax status, size of adjusted gross income, marital status, and type of tax computation.

Additional unpublished information from individual income tax returns classified by size of adjusted gross income, is available on a reimbursable basis. A public-use computer tape file, i.e., the Individual Tax Model File, containing the records selected for the Statistics of Income sample is also available on a reimbursable basis. This file is suitable primarily for making national level estimates.

The issuance of this publication was delayed because of staff resources devoted to the implementation of provisions contained in the Tax Reform Act of 1986.

## Suggested Citation

Internal Revenue Service  
Statistics of Income — 1986  
Individual Income Tax Returns  
Washington, DC 1989





# SOI STATISTICAL SERVICES

(Available from Statistics of Income Division)

As part of the Statistics of Income program a series of special services is now being offered to data users (see below). Detailed information on these statistical services can be obtained by writing to Director, Statistics of Income Division (TR:S), Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224. Purchase is by check made payable to the IRS Accounting Section.

## Studies of International Income and Taxes, Publication 1267 — Price \$45.00

Purchase price includes a 516-page document for 1979–83 that presents information from 13 Statistics of Income studies in the international area, including:

- Foreign activity of U.S. corporations
- Activity of foreign corporations in the U.S.
- Foreign interests in U.S. corporations
- Statistics related to individuals, trusts, and estates
- Data presented by—  
geographical area or  
industrial activity, as well as  
other classifiers

Purchasers of this service also will be provided with additional information for one year as it becomes available. The one year period for receiving additional information can be extended at a cost of \$35.00 per year. A long-term subscription (\$150) includes the compendium and additional information as it becomes available through August 1990. (The next compendium is scheduled for release in September 1990.)

## Individual Income Tax Returns, Publication 1304 — Price \$32.00

Statistics of Income data for 1986 presents information on:

- Sources of income
- Exemptions
- Itemized deductions
- Tax computations
- Data presented by—  
size of adjusted gross  
income, marital status

Purchasers of this service also will be provided with additional articles relating to 1986 data and preliminary 1987 data as they become available and will be notified of future statistical releases relating to individual income tax returns.

## Partnership Returns, Publication 369 — Price \$22.00

Purchase price includes a 314-page document for 1978–82 presenting previously unpublished Statistics of Income data for 1980, 1981 and 1982, as well as data previously issued in other publications. Features include:

- Number of partnerships
- Limited partnerships
- Receipts
- Cost of sales and operations
- Deductions
- Net income
- Capital gains
- Data presented by—  
industry  
size of total assets  
state  
number of partners

Purchasers of this service also will be provided with data for 1983–1985 as they become available and will also be notified of future statistical releases relating to partnership returns.

## Other Services — Price dependent on the request

- Unpublished tabulations from SOI program are available. Includes detailed tables underlying those published in SOI Bulletin.
- Special tabulations produced to user specifications.
- Public use tape files, including the Individual Tax Model (1978–1985), among others. (Earlier files are available from the Machine Readable Branch (NNSR) of the National Archives, Washington, DC 20408.

# BUSINESS SOURCE BOOKS

(Available from Statistics of Income Division)

In addition to the Corporation Source Book, two others are now being offered by the Statistics of Income Division (see below). Information can be obtained by writing to Director, Statistics of Income Division (TR:S) at the address above. Purchase of Source Books is by check made payable to the IRS Accounting Section.

## Corporation Source Book, 1985, Publication 1053 — Price \$175.00

This is a 480-page document that presents detailed income statement, balance sheet, tax and investment credit items by major and minor industries and size of total assets. This report is part of an annual series and can be purchased for \$175 (issues prior to 1982 are for sale at \$150). A magnetic tape containing the tabular statistics for 1985 can be purchased for \$1,500.

## Partnership Source Book, Publication 1289 — Price \$30.00

This is a 291-page document showing key partnership data for 1957 through 1983, at the minor, major and division industry level. Includes a historical definition of terms section and a summary of legislative changes affecting partnerships during that period. Tables feature:

- Number of partnerships
- Number of partners
- Business receipts
- Depreciation
- Taxes paid deductions
- Interest paid
- Payroll
- Payments to partners
- Net income

Purchasers of this service also will be advised of the release of subsequent years' data. A magnetic tape containing the tabular statistics can be purchased for an additional \$200.

## Sole Proprietorship Source Book, Publication 1323 — Price \$95.00

This Source Book is a companion to that for partnerships, shown above. It is a 244-page document showing key proprietorship data for 1957 through 1984. Each page contains statistics for a particular industry. Included will be data on:

- Number of businesses
- Business receipts
- Interest paid
- Depreciation
- Taxes paid deductions
- Payroll
- Net income

As with Partnerships, a magnetic tape containing the tabular statistics can be purchased for \$245.

## OTHER PUBLICATIONS

(Available from Superintendent of Documents GPO, Washington, D.C. 20402)

### The Statistics of Income (SOI) Bulletin (Quarterly) — Publication No. 1136

Subscription price \$16.00; Single copy price \$6.00

The SOI Bulletin provides the earliest published financial statistics from the various types of tax and information returns filed with the Internal Revenue Service. The Bulletin also includes information from periodic or special analytical studies of particular interest to tax administrators and economists.

### Statistics of Income—1985, Corporation Income Tax Returns, Publication No. 16

Price \$9.50

Presents information on—

- Receipts
- Deductions
- Net income
- Taxable income
- Income tax
- Tax credits
- Distributions to stockholders
- Assets
- Liabilities

Data classified by—

- industry
- accounting period
- size of total assets
- size of business receipts

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# Section 1

# Introduction and Changes in Law\*

The statistics presented in this report are estimates based on a stratified probability sample of individual income tax returns, selected before audit, and represent coverage of the 103 million Forms 1040, 1040A and 1040EZ filed by the nation's taxpayers for Tax Year 1986.

Table A shows selected tax items for Tax Years 1970, 1975, 1980, 1985 and 1986. In addition, percent changes between Tax Years 1985 and 1986 are shown. Between 1985 and 1986, the number of returns filed increased by approximately 1.4 million, or 1.4 percent, and adjusted gross income (AGI) increased by approximately \$176 billion, or 7.6 percent. Taxable income increased by 6.9 percent, and total income tax by 12.8 percent.

This report contains the first comprehensive publication of final individual income tax data for Tax Year 1986. However, these data, as well as preliminary income tax data for Tax Year 1987, are also featured in the Spring 1989, Statistics of Income Bulletin (1).

## REQUIREMENTS FOR FILING

The Internal Revenue Code of 1986, as amended, provided the legal basis for tax activity detailed in this volume. For Tax Year 1986, as for previous tax years, the principal criteria that determined the general filing requirements were gross income, filing status, and age. Gross income included all income received in the form of money, property, and services that were not expressly exempt from tax. A return had to be filed by:

- (1) a single person (other than a surviving spouse) under age 65, with gross income of at least \$3,560;
- (2) a single person (other than a surviving spouse) age 65 or over, with gross income of at least \$4,640;
- (3) a surviving spouse under age 65 with gross income of at least \$4,750;

- (4) a surviving spouse age 65 or over with gross income of at least \$5,830;
- (5) a married couple, filing a joint return, with both spouses under age 65 and with a combined gross income of at least \$5,830;
- (6) a married couple, filing a joint return, with one spouse age 65 or over and with a combined gross income of at least \$6,910;
- (7) a married couple, filing a joint return, with both spouses age 65 or over and with a combined gross income of at least \$7,990; and
- (8) a married person regardless of age whose spouse was filing a separate return, if that married person had a gross income of at least \$1,080.

Notwithstanding these provisions, there were six additional filing requirements. Specifically, an individual had to file a return for Tax Year 1986 if that individual:

- (1) was claimed as a dependent on another person's return and had "unearned income" (such as trust distributions, interest, or capital gains) of \$1,080 or more;
- (2) was liable for any of the following taxes:
  - social security tax on unreported tip income;
  - uncollected social security tax or Railroad Retirement Tax Act (RRTA) tax on reported tip income;
  - alternative minimum tax;
  - tax on an Individual Retirement Arrangement; or
  - tax from recapture of investment credit;

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\*This report was prepared under the direction of Jeffrey Hartzok, Chief, Returns Analysis Section, Individual Statistics Branch. Contributions to the text were made by Susan Hostetter and Mike Strudler. June Walters was responsible for overall production.

Table A.—Selected Income and Tax Items for Selected Years, 1970–1986

[All figures are estimates based on samples—money amounts are in thousands of dollars]

Item	1970	1975	1980	1985	1986	Percent change, 1985 to 1986
	(1)	(2)	(3)	(4)	(5)	(6)
All returns..	74,279,831	82,229,332	93,902,469	101,660,287	103,045,170	1.4%
Form 1040 returns..	N/A	54,527,726	57,122,592	67,006,425	68,909,828	2.8
Form 1040A returns..	N/A	27,701,606	36,779,877	18,124,702	17,584,689	-3.0
Form 1040EZ returns..	N/A	N/A	N/A	16,529,160	16,550,653	0.1
Total income, amount..	639,357,791	962,886,872	1,642,345,558	2,401,033,782	2,580,689,275	7.5
Adjusted gross income less deficit..	631,692,540	947,784,873	1,613,731,497	2,305,951,483	2,481,681,046	7.6
Salaries and wages:						
Number of returns..	66,965,659	73,520,046	83,802,109	87,198,001	88,217,638	1.2
Amount..	531,883,892	795,399,462	1,349,842,802	1,928,200,978	2,031,025,984	5.3
Interest received:						
Number of returns..	32,630,355	40,378,240	49,019,575	64,526,434	65,236,518	1.1
Amount..	22,021,267	43,433,554	102,009,444	182,109,194	167,640,438	-7.9
Dividends in adjusted gross income:						
Number of returns..	7,729,939	8,853,491	10,738,982	15,527,579	16,753,537	7.9
Amount..	15,806,924	21,892,126	38,761,253	55,046,351	61,623,348	11.9
Business or profession net income less loss:						
Number of returns..	6,159,985	7,242,542	8,881,119	11,900,341	12,360,345	3.9
Amount..	30,554,201	39,421,478	55,129,154	78,772,577	90,423,763	14.8
Net Capital gain less loss:						
Number of returns..	7,962,663	7,574,823	9,970,921	12,579,494	15,560,453	23.7
Amount..	9,006,683	14,071,893	30,029,074	68,277,779	132,841,678	94.6
Pensions and annuities in adjusted gross income:						
Number of returns..	3,249,558	5,088,937	7,373,704	13,133,295	14,771,235	12.5
Amount..	7,878,808	20,886,871	43,339,736	95,096,003	107,696,794	13.3
Rents and royalties net income less loss:						
Number of returns..	6,557,498	7,143,812	8,208,132	9,544,495	9,394,506	-1.6
Amount..	3,232,817	5,202,078	4,105,381	-12,963,726	-15,292,084	-18.0
Partnership and S Corporations:						
Number of returns..	n.a.	n.a.	n.a.	5,487,671	5,817,455	6.0
Amount..	12,637,912	12,811,091	10,099,346	-2,526,590	-5,859,500	-131.9
Farm net income less loss:						
Number of returns..	3,026,530	2,755,041	2,608,430	2,620,861	2,524,331	-3.7
Amount..	2,788,713	3,563,325	-1,792,466	-12,005,483	-7,284,231	39.3
Total statutory adjustments:						
Number of returns..	6,370,552	9,024,255	13,148,919	37,763,418	38,034,061	0.7
Amount..	7,665,251	15,101,999	28,614,061	95,082,299	99,008,229	3.1
Individual Retirement Arrangement:						
Number of returns..	N/A	1,211,794	2,564,421	16,205,846	15,535,531	-4.1
Amount..	N/A	1,436,443	3,430,894	39,207,068	37,758,393	-1.2
Self-employed retirement (Keogh):						
Number of returns..	591,655	595,892	568,936	675,822	773,296	14.4
Amount..	847,692	1,603,788	2,007,666	5,181,993	6,194,617	19.5
Married couple who both work:						
Number of returns..	N/A	N/A	N/A	24,835,278	N/A	N/A
Amount..	N/A	N/A	N/A	24,614,983	N/A	N/A
Exemptions:						
Number of exemptions..	204,126,402	212,202,596	227,925,098	244,180,202	245,752,978	0.6
Number, age 65 or over..	8,904,331	9,937,208	11,847,168	16,748,810	17,395,776	3.9
Total deductions:						
Number of returns..	73,862,448	81,585,541	88,491,251	96,848,626	98,180,981	1.4
Amount..	120,549,755	233,181,778	346,000,155	554,733,523 <sup>1</sup>	611,293,162 <sup>1</sup>	10.2
Total itemized deductions:						
Number of returns..	35,430,047	26,074,061	28,950,282	39,848,184	40,667,008	2.1
Amount..	88,178,487	122,260,601	218,028,139	405,023,525	447,057,972	10.4
Medical and dental expense..	10,585,749	11,422,312	14,972,082	22,926,214	25,112,007	9.5
Taxes paid..	32,014,673	44,141,289	69,404,275	128,084,618	143,446,005	12.0
Interest paid..	23,929,477	38,885,282	91,187,006	180,094,578	196,566,331	9.1
Contributions..	12,892,732	15,393,331	25,809,608	47,962,848	53,815,979	12.2
Taxable income:						
Number of returns..	59,593,598	65,852,602	88,104,696	96,124,046	97,358,296	1.3
Amount..	401,154,285	595,492,866	1,279,985,360	1,820,740,833	1,947,024,584	6.9
Income tax before credits:						
Number of returns..	59,596,755	65,854,734	76,135,819	85,994,216	86,600,724	0.7
Amount..	84,156,695 <sup>2</sup>	132,452,044	256,294,315	332,165,333	367,591,995	10.7
Total tax credits <sup>3</sup> :	369,610	8,069,846	7,215,839	10,248,044	7,020,731	-31.5
Child care credit..	N/A	N/A	956,439	3,127,702	3,397,090	8.6
Credit for the elderly and disabled..	167,656	128,968	134,993	108,642	85,763	-21.1
Residential energy credit..	N/A	N/A	562,141	811,675	N/A	N/A
Foreign tax credit..	169,623	381,985	1,341,675	782,561	773,939	-1.1
Investment credit..	30,554	1,593,150	3,288,415	6,968,070	N/A	N/A
Income tax after credits..	83,787,323	124,382,197	249,078,475	321,917,289	360,571,264	12.0
Total income tax:						
Number of returns..	59,317,371	61,490,737	73,906,244	82,846,420	83,967,413	1.4
Amount..	83,909,311	124,526,297	250,341,440	325,710,254	367,287,213	12.8

n.a. Not available

N/A Not applicable

<sup>1</sup> Includes total itemized deductions, charitable contributions for nonitemizers, and zero bracket amount on nonitemized deductions.<sup>2</sup> Includes surcharge of \$2,018,078,000.<sup>3</sup> Includes credits not shown separately below.

NOTE: Detail may not add to total because of rounding.



- (3) received advanced earned income payments;
- (4) had net earnings of at least \$400 from self-employment income;
- (5) had wages of \$100 or more from a church or qualified church-controlled organization that was exempt from employer social security taxes; or
- (6) had gross income of at least \$1,080 and excluded income from sources within U.S. possessions.

These filing requirements applied to all U.S. citizens, residents of Puerto Rico, resident aliens for the entire tax year, certain dual-status taxpayers, and certain nonresident aliens married to U.S. citizens or residents at the end of 1986.

Data shown in these tables covers individuals who were not required to file tax returns, but did so in order to obtain refunds (generally of tax withheld) or to take advantage of the earned income credit.

Most taxpayers were required to file tax returns within three and one-half months after the close of their accounting periods. Since most individuals use a calendar year period, nearly all returns were due by April 15, 1987. However, each taxpayer could be granted, upon request, one automatic four-month extension of time to file. U.S. citizens residing or traveling outside the United States and Puerto Rico on the due date were automatically granted (without requesting) a two-month extension. In addition, taxpayers could petition the IRS for an additional extension beyond the automatic ones cited above. However, this extension must be approved by IRS.

#### CHANGES IN LAW

New tax provisions affecting 1986 income tax returns arose as a result of the Economic Recovery Tax Act of 1981, the Tax Equity and Fiscal Responsibility Act of 1982, the 1983 Social Security Amendments Act and Railroad Retirement Solvency Act, the Tax Reform Act of 1984, and the Tax Reform Act of 1986. Most of these tax law changes pertaining to 1986 individual returns are reflected in this report.

All major changes in effect for Tax Year 1986 are listed below in alphabetical order. Section 5 contains more detailed explanations and definitions of terms used in this report.

#### Charitable Contributions for Nonitemizers

For 1986, individuals who did not itemize their deductions could deduct 100 percent of their charitable contributions from their adjusted gross income, up to limits based on AGI. The allowable deduction for 1985 was 50 percent of charitable contributions.

#### General Business Credit

For tax years beginning after 1985, the percentage of tax liability in excess of \$25,000 that could be offset using the general business credit was reduced from 85 to 75 percent.

#### Income Averaging

For 1986, an individual could not income average if he was a full-time student during any base period year, unless he filed a joint return in the computation year and his income in the computation year was not more than 25 percent of total AGI on the joint return.

#### Inflation Adjustments (Indexing)

For Tax Year 1986, the width of each income bracket (including the zero rate bracket) in the Tax Rate Schedules (and the Tax Table) was adjusted to reflect the effect of inflation so that inflation would not increase a taxpayer's average tax rate (all other things being equal). Similarly, the amount allowed as a deduction for each personal exemption increased, as the result of indexing, from \$1,040 to \$1,080.

#### Investment Tax Credit

The regular 10 percent investment tax credit (ITC) was repealed for property placed in service after 1985 with the exception of qualified progress expenditures and ITC transition property.

#### Jobs Credit

This credit was reduced from 50 to 40 percent (85 percent for summer youth employees) of qualified first year wages, and was repealed for credit against wages paid in the second year. No credit was allowed unless the employee worked at least 90 days (14 for summer youth employees) or at least 120 hours (20 hours for summer youth employees).

### Pensions and Annuities

After July 1, 1986, an individual could not use the "three-year rule" to determine the taxable and nontaxable parts of a pension or annuity to exclude qualified retirement annuity payments from income until the employee had recovered the amount contributed to the plan. The employee was required to report payments under the general rule which provided that the nontaxable portion be amortized over the expected lifetime of the taxpayer.

### Research and Experimentation Credit

This credit was extended through calendar year 1988. The rate was reduced from 25 to 20 percent, effective after 1985. It was redesignated as a general business credit and was subject to the general business credit tax liability limitations.

### Residential Energy Credit

Unused credits from prior years could be carried forward to 1986 but no additional credit could be claimed for energy saving items or renewable energy source property installed after 1985.

### Self-Employment Tax

The limit for Tax Year 1986 on the amount of net earnings subject to self-employment tax increased from \$39,600 to \$42,000. The net tax rate was 11.8 percent for Tax Year 1985 and 12.3 percent for Tax Year 1986.

### RETROSPECTIVE INCOME CLASSIFIER

Tax law changes between 1981 and 1986 altered what individuals were required to report as part of their adjusted gross income. Since reporting requirements had been modified from year to year, the basic measurement of income in the SOI Individual study has changed as well. The concept that SOI has historically used -- AGI -- was designed to administer the collection of taxes, and is not entirely usable by many tax analysts.

SOI determined to develop an income definition that would: (1) be applicable over several years and allow comparisons, both pre- and post the major tax legislation of the 1980's; (2) include only available tax return items, thereby eliminating the need for imputation; and (3) cover only income from the applicable tax year (excluding "carryovers" and "carrybacks.")

A retrospective income called the "1979 Income Concept" reflects the base period 1979 through 1986 (2). This base period was selected because it covers the tax law changes of the 1980's, and the underlying data reported on tax returns permit construction of an income measure that is defined consistently across all those years. Even though the 1979 Income Concept is "retrospective," its use will be continued in future years, to show an income that is conceptually similar to income published for these prior "base" years.

The 1979 Income Concept does not adjust for costs of producing income, such as the investment interest expense, which is used in the "expanded income" concept described in Section 4 (3). Expanded income, which has been published for eleven years, is similar to the 1979 Income Concept in that it adds to AGI tax preferences that taxpayers were permitted by law to exclude. The expanded income is different in that it includes reported tax

Figure 1.--Calculation of the 1979 Total Income Concept

1979 TOTAL INCOME =	
	Salaries and wages*
+	Interest (without any exclusion)*
+	Dividends (without any exclusion)**
+	Alimony received*
+	Capital gains (without any exclusion, and allowing for short-term and long-term loss without limitation)**
+	Capital gains not reported on Schedule D (without any exclusion)**
+	Other gains reported on Form 4797*
+	Net business income, Schedule C*
+	Net farm income*
+	Net rent income*
+	Net royalty income*
+	Net partnership income*
+	Net Subchapter S Corporation income*
+	Net farm rental income*
+	Net estate and trust income*
+	Unemployment insurance income reported**
+	Depreciation in excess of straight-line depreciation**
+	Pension income reported**
+	Net other income*
LESS	
	Moving expenses*
+	Employee business expenses*
+	Alimony paid*

\*Included in Tax Year 1986 AGI.

\*\*Modified from income included in Tax Year 1986 AGI.



preferences in a given year, whereas the 1979 Income Concept only covers preferences if they were included in reporting requirements for all years from 1979 through 1986. The expanded income also reduces income by the investment interest expense. Figure 1 provides the derivation for the 1979 Income Concept, mostly using the line items on the income tax return.

By applying this definition, IRS has come up with a concept of income that is broader and more consistent than AGI. The largest difference between the 1979 Income Concept and AGI is the 60 percent capital gains exclusion, which was included in the 1979 Income Concept. Since most adjustments are really tax items and not income, those amounts were included in retrospective income, leaving only expense items, such as the employee business expense, as adjustments to income. The State income tax refund was omitted because it is a tax recovery or adjustment -- again, not a measure of income. Social security benefits are obviously income, but they were omitted because they weren't potentially subject to tax or even partially included on the tax return until 1984 and, therefore, could not be used consistently for all years from 1979 through 1986.

### COMPARISON OF AGI AND 1979 INCOME CONCEPT

Figures 2, 3, and 4, and Table B show differences in income and tax items for AGI and the 1979 Income Concept. Table B compares the two concepts for all income classes, and Figures 2, 3, and 4 show differences only for the high income classes (\$200,000 or more) where the greatest changes occurred.

Figure 2 shows the distribution of large income returns both by size of AGI and retrospective income. It shows that the number of returns for the high income classes -- over \$200,000 -- was consistently higher when the income was computed according to the 1979 Income Concept. The shift to income classes over \$200,000 using the 1979 Income Concept was about 203,000 returns or 54 percent of the high income returns. Much of this shift to higher income classes was due to the elimination of the capital gains exclusion in the 1979 Income Concept.

Figure 3 compares total income for the two concepts on returns with \$200,000 or more of income. The amount of income for returns with a million or more increased 131 percent

Figure 2

### Distribution of High Income Returns by AGI and 1979 Income Concept

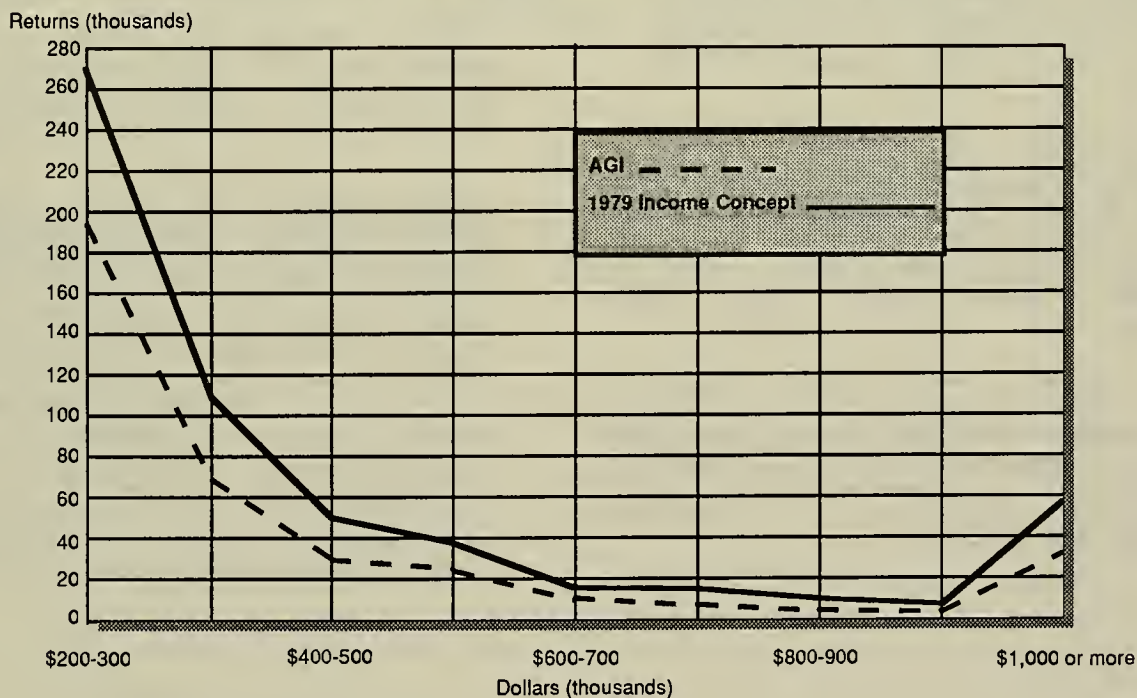
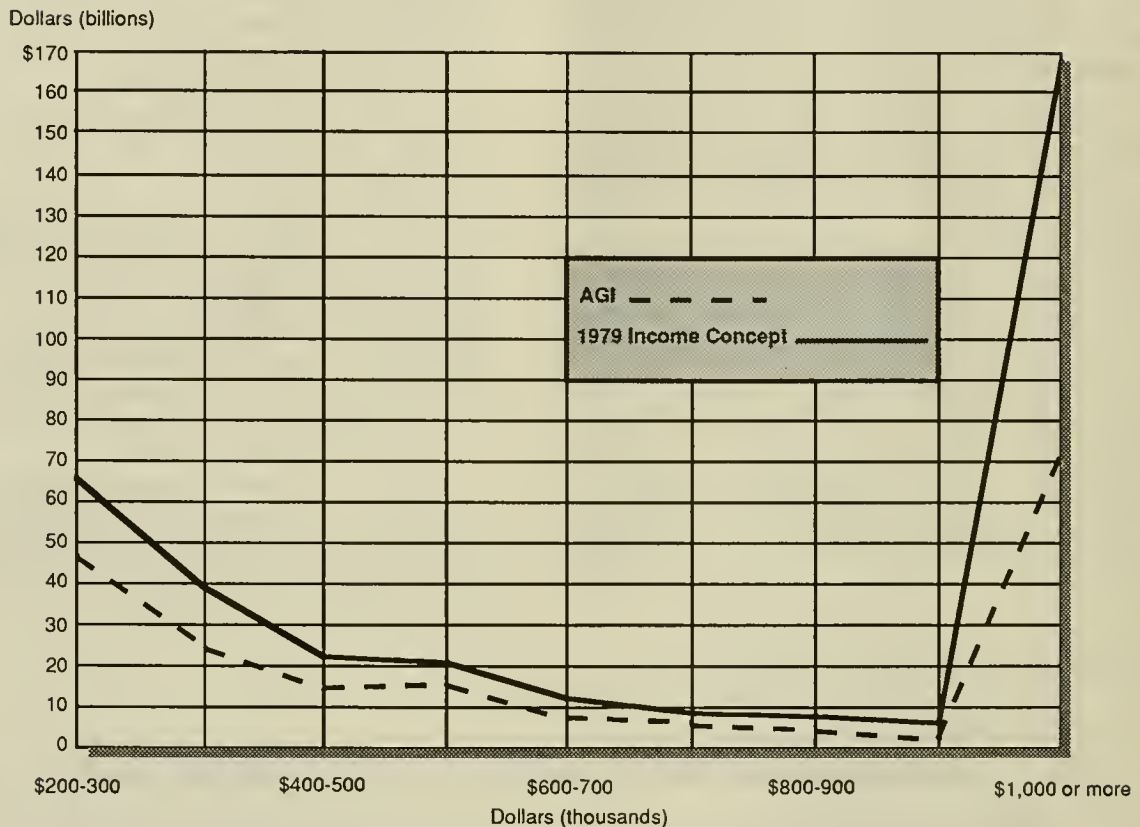


Figure 3

## Total Income for High Income Returns by AGI and 1979 Income Concept



between AGI and the 1979 Income Concept. The greatest differences occur above \$1,000,000, primarily because this class finds the individuals with highest capital gains exclusion.

Total income, shown in Table B, was \$272 billion higher (11 percent) for all returns, when computed according to the 1979 Income Concept in comparison with AGI. In addition, our data show an increase of \$266 billion (11 percent) in total income for 1986 over 1985 using the 1979 concept.

Total income tax was a greater percent of AGI (14.8 percent) than it was of the 1979 Income Concept (13.3 percent) for all income classes. This would be expected, since AGI is lower than the 1979 Income Concept for all classes. The average tax paid for individuals in the million dollar class was \$912,000 for AGI income and \$639,000 for the 1979 Income Concept. Many of the taxpayers who moved into this income class had considerable capital gains income which was taxed at a lower rate, causing the average tax to drop. See columns 57 through 60 of Table B for a distribution of total income tax for all income classes.

Figure 4

Total Income for High Income Returns by AGI and 1979 Income Concept  
(Number of returns are in thousands-amounts are in billions)

Size of Income	Total Income			
	By AGI		By 1979 Income Concept	
	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)
\$200,000 under \$300,000	194	\$46,492	272	\$65,634
\$300,000 under \$400,000	67	23,324	112	39,082
\$400,000 under \$500,000	29	13,024	51	22,622
\$500,000 under \$600,000	25	13,364	38	21,110
\$600,000 under \$700,000	11	6,824	19	12,509
\$700,000 under \$800,000	7	5,506	13	9,439
\$800,000 under \$900,000	5	4,391	9	7,916
\$900,000 under \$1,000,000	4	3,585	7	6,296
\$1,000,000 or more	32	72,565	56	167,342

## NOTES AND REFERENCES

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(2) Hostetter, Susan, "Measuring Income for developing and Reviewing Individual Tax Law Changes; Exploration of Alternative Concepts," Statistics of Income and Related Administrative Record Research: 1986-1987, U.S. Department of the Treasury, Internal Revenue Service, 1987.

(3) Lerman, Allen H., "High Income Returns, for 1984", Statistics of Income Bulletin, Spring 1987, Volume 6, Number 4, pp. 1-29.



**Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1986**

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Total income				Salaries and wages				Interest received			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>All returns, total .....</b>	<b>103,045</b>	<b>2,481,681</b>	<b>103,045</b>	<b>2,753,688</b>	<b>88,218</b>	<b>2,031,026</b>	<b>88,218</b>	<b>2,031,026</b>	<b>65,237</b>	<b>167,640</b>	<b>65,237</b>	<b>167,640</b>
Under \$10,000 .....	32,855	119,976	31,837	107,293	25,954	135,093	25,233	130,306	14,245	23,730	13,593	22,484
\$10,000 under \$20,000 .....	24,996	367,099	24,619	361,196	21,028	294,147	20,735	284,247	13,886	31,335	13,362	28,395
\$20,000 under \$30,000 .....	16,780	414,425	16,544	408,544	15,110	356,460	14,704	336,192	12,009	24,140	11,762	24,853
\$30,000 under \$40,000 .....	11,490	398,161	11,426	396,148	10,724	355,518	10,620	340,361	9,468	18,062	9,315	18,207
\$40,000 under \$50,000 .....	7,459	332,211	7,361	328,939	6,943	296,004	6,873	279,916	6,665	15,111	6,549	13,905
\$50,000 under \$60,000 .....	3,763	204,991	4,145	226,023	3,488	180,526	3,876	189,038	3,499	10,177	3,828	9,680
\$60,000 under \$70,000 .....	2,041	131,645	2,322	149,928	1,852	112,205	2,148	121,493	1,918	7,123	2,180	6,710
\$70,000 under \$80,000 .....	1,066	79,373	1,331	99,148	959	64,248	1,193	75,300	1,021	4,742	1,272	5,069
\$80,000 under \$90,000 .....	677	57,358	827	69,905	598	45,068	715	49,845	655	3,864	800	4,360
\$90,000 under \$100,000 .....	428	40,391	544	51,438	343	27,163	476	34,410	418	3,813	528	2,932
\$100,000 under \$125,000 .....	566	62,785	721	80,066	474	42,730	610	50,460	548	4,713	703	4,809
\$125,000 under \$150,000 .....	278	37,849	360	49,011	233	24,632	291	26,025	270	2,571	353	3,585
\$150,000 under \$175,000 .....	175	28,208	263	42,486	141	17,826	198	21,362	172	2,113	260	2,515
\$175,000 under \$200,000 .....	97	18,131	168	31,613	85	11,640	115	12,751	94	1,422	164	2,907
\$200,000 under \$300,000 .....	194	46,492	272	65,634	156	27,382	217	30,680	191	4,185	268	3,911
\$300,000 under \$400,000 .....	67	23,324	112	39,082	49	10,501	74	12,166	67	1,809	111	2,131
\$400,000 under \$500,000 .....	29	13,024	51	22,622	24	6,253	38	7,577	29	938	50	1,366
\$500,000 under \$1,000,000 .....	52	33,670	86	57,269	36	11,610	62	13,731	51	3,249	85	3,860
\$1,000,000 or more .....	32	72,565	56	167,342	20	12,019	38	15,165	32	4,543	56	5,961

Size of income	Dividends in AGI		Dividends received		Business net income less loss				Sales of capital assets			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
<b>All returns, total .....</b>	<b>16,754</b>	<b>61,623</b>	<b>20,896</b>	<b>63,629</b>	<b>12,360</b>	<b>90,424</b>	<b>12,360</b>	<b>90,424</b>	<b>15,560</b>	<b>132,842</b>	<b>15,560</b>	<b>132,842</b>
Under \$10,000 .....	2,650	3,459	3,048	3,563	2,952	489	2,772	938	2,232	8,277	1,982	3,183
\$10,000 under \$20,000 .....	2,845	5,462	3,155	4,927	2,388	11,571	2,282	10,590	2,564	3,349	2,167	1,633
\$20,000 under \$30,000 .....	2,630	5,772	3,217	5,696	2,171	13,152	2,133	12,816	2,444	4,297	2,415	3,181
\$30,000 under \$40,000 .....	2,365	4,594	2,951	4,814	1,771	11,015	1,730	10,096	2,119	4,863	1,987	3,185
\$40,000 under \$50,000 .....	1,956	4,778	2,454	4,404	1,093	9,900	1,096	9,029	1,841	4,973	1,739	3,195
\$50,000 under \$60,000 .....	1,282	3,670	1,751	3,459	657	7,546	716	6,651	1,195	4,148	1,296	3,413
\$60,000 under \$70,000 .....	808	2,922	1,128	2,725	401	6,476	420	5,991	801	3,938	847	3,275
\$70,000 under \$80,000 .....	533	2,396	748	2,292	248	4,690	292	5,163	550	3,642	657	3,050
\$80,000 under \$90,000 .....	366	1,989	501	2,419	146	3,627	191	3,382	384	3,380	466	2,927
\$90,000 under \$100,000 .....	270	2,200	357	1,344	100	2,936	129	3,462	280	3,391	340	2,237
\$100,000 under \$125,000 .....	362	2,919	501	2,668	162	6,682	177	5,166	393	5,934	505	5,477
\$125,000 under \$150,000 .....	184	1,840	264	2,063	75	3,445	107	4,290	208	4,618	272	4,237
\$150,000 under \$175,000 .....	126	1,348	197	2,019	58	1,885	74	2,835	136	4,895	219	4,718
\$175,000 under \$200,000 .....	72	704	137	2,176	26	1,290	65	2,796	80	2,339	145	3,715
\$200,000 under \$300,000 .....	153	3,005	221	2,726	53	2,406	72	3,177	167	8,594	236	8,215
\$300,000 under \$400,000 .....	56	3,818	97	4,058	16	1,044	34	1,302	61	5,556	103	7,128
\$400,000 under \$500,000 .....	23	806	43	947	8	570	15	762	26	3,751	47	4,321
\$500,000 under \$1,000,000 .....	44	2,146	76	2,656	20	1,044	31	1,241	49	11,034	83	11,920
\$1,000,000 or more .....	29	7,795	51	8,673	15	655	23	737	31	41,862	55	53,831

Size of income	Pensions and annuities in AGI		Pensions and annuities		Rents, royalties and farm rental net income less loss				Partnership and S Corporation net income less loss			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
<b>All returns, total .....</b>	<b>14,771</b>	<b>107,697</b>	<b>15,857</b>	<b>141,576</b>	<b>9,805</b>	<b>-13,355</b>	<b>9,805</b>	<b>-13,355</b>	<b>5,817</b>	<b>-5,859</b>	<b>5,817</b>	<b>-5,859</b>
Under \$10,000 .....	3,122	11,201	2,977	11,549	1,639	-4,393	1,515	-3,209	804	-20,151	755	-15,612
\$10,000 under \$20,000 .....	4,086	26,940	3,992	27,069	1,729	-251	1,591	33	635	-647	513	-418
\$20,000 under \$30,000 .....	2,560	20,783	2,764	22,539	1,725	-2,594	1,648	-1,860	750	307	719	518
\$30,000 under \$40,000 .....	1,763	13,983	1,905	15,389	1,278	-2,218	1,262	-2,283	671	587	611	621
\$40,000 under \$50,000 .....	1,351	12,587	1,425	14,616	984	-2,273	932	-1,594	653	197	609	218
\$50,000 under \$60,000 .....	721	7,003	917	9,983	703	-1,477	710	-1,871	447	885	436	619
\$60,000 under \$70,000 .....	439	4,902	553	6,170	443	-844	484	-1,037	351	401	365	618
\$70,000 under \$80,000 .....	211	2,478	353	4,615	289	-402	333	-891	263	726	291	145
\$80,000 under \$90,000 .....	144	1,876	233	3,476	224	-648	246	-568	212	212	223	203
\$90,000 under \$100,000 .....	94	1,195	156	2,864	142	441	182	380	158	473	169	576
\$100,000 under \$125,000 .....	111	1,754	177	3,627	204	-403	258	-736	251	670	288	549
\$125,000 under \$150,000 .....	53	826	112	2,815	124	-219	150	-416	160	780	190	164
\$150,000 under \$175,000 .....	39	520	86	2,643	81	-175	120	-593	110	360	135	32
\$175,000 under \$200,000 .....	22	351	55	1,954	41	-87	82	-206	71	680	105	545
\$200,000 under \$300,000 .....	30	525	79	4,035	96	152	128	-35	133	940	176	927
\$300,000 under \$400,000 .....	8	200	25	1,631	33	71	49	-42	53	290	83	96
\$400,000 under \$500,000 .....	5	161	14	1,193	16	130	27	3	23	373	36	59
\$500,000 under \$1,000,000 .....	7	189	23	3,280	32	2,246	50	2,144	43	1,929	66	868
\$1,000,000 or more .....	4	223	11	2,127	22	-412	35	-574	29	5,129	48	3,413

**Table B.—All Returns: Selected Income and Tax Items, By Size of Adjusted Gross Income and By 1979 Income Concept, 1986—Continued**

[All figures are estimates based on samples—number of returns are in thousands and money amounts are in millions of dollars]

Size of income	Estate or trust net income less loss				Total statutory adjustments				Total itemized deductions			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
<b>All returns, total .....</b>	<b>1,193</b>	<b>7,007</b>	<b>1,193</b>	<b>7,007</b>	<b>38,034</b>	<b>99,008</b>	<b>9,012</b>	<b>28,136</b>	<b>40,667</b>	<b>447,058</b>	<b>40,667</b>	<b>447,058</b>
Under \$10,000 .....	227	571	233	891	2,144	3,020	604	1,610	2,378	12,724	2,190	12,518
\$10,000 under \$20,000 .....	185	837	168	693	5,965	8,173	1,419	3,157	5,662	35,701	5,280	32,380
\$20,000 under \$30,000 .....	168	641	167	597	8,336	14,428	1,950	4,807	8,444	60,108	8,035	56,474
\$30,000 under \$40,000 .....	114	460	101	397	7,700	16,544	1,484	3,891	8,643	75,686	8,253	70,377
\$40,000 under \$50,000 .....	98	510	94	450	5,922	15,984	1,135	3,156	6,529	69,866	6,348	65,889
\$50,000 under \$60,000 .....	62	309	60	244	3,192	11,612	806	2,499	3,514	45,144	3,787	45,634
\$60,000 under \$70,000 .....	65	295	48	180	1,749	7,986	497	1,988	1,947	30,408	2,193	31,464
\$70,000 under \$80,000 .....	43	350	39	294	920	4,718	303	1,408	1,023	18,455	1,268	20,537
\$80,000 under \$90,000 .....	35	337	40	349	577	3,483	193	1,001	662	13,684	787	14,408
\$90,000 under \$100,000 .....	32	106	17	180	335	2,390	136	694	406	9,736	514	10,768
\$100,000 under \$125,000 .....	47	423	51	363	463	3,958	182	1,125	554	15,013	692	16,096
\$125,000 under \$150,000 .....	21	352	31	246	230	1,838	89	626	270	8,859	349	9,765
\$150,000 under \$175,000 .....	22	159	35	172	144	1,259	73	672	173	6,518	255	7,863
\$175,000 under \$200,000 .....	7	112	27	246	83	736	30	243	96	3,871	160	6,681
\$200,000 under \$300,000 .....	26	259	28	341	149	1,433	65	592	188	10,940	260	10,373
\$300,000 under \$400,000 .....	15	190	20	154	46	457	17	166	67	5,592	110	6,411
\$400,000 under \$500,000 .....	4	117	5	144	22	249	9	98	29	2,666	49	3,284
\$500,000 under \$1,000,000 .....	15	345	19	353	40	452	14	206	51	6,420	84	7,499
\$1,000,000 or more .....	4	634	9	710	17	288	8	198	32	15,667	55	18,424

Size of income	Taxable income				Total tax credits				Total income tax			
	Size of AGI		1979 Income concept		Size of AGI		1979 Income concept		Size of AGI		1979 Income concept	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)
<b>All returns, total .....</b>	<b>97,358</b>	<b>1,947,025</b>	<b>97,358</b>	<b>1,947,025</b>	<b>16,859</b>	<b>7,021</b>	<b>16,859</b>	<b>7,021</b>	<b>83,967</b>	<b>367,287</b>	<b>83,967</b>	<b>367,287</b>
Under \$10,000 .....	27,468	102,630	26,592	100,674	2,985	552	2,813	544	15,067	5,208	14,521	5,208
\$10,000 under \$20,000 .....	24,784	283,541	24,341	270,963	3,688	1,174	3,646	1,123	23,936	28,779	23,243	27,294
\$20,000 under \$30,000 .....	16,737	330,713	16,474	314,642	3,093	1,099	3,037	1,059	16,639	43,734	16,322	41,012
\$30,000 under \$40,000 .....	11,474	313,917	11,400	301,079	2,443	830	2,316	811	11,434	48,629	11,332	45,791
\$40,000 under \$50,000 .....	7,451	259,365	7,342	243,017	1,743	595	1,697	607	7,447	45,744	7,327	41,519
\$50,000 under \$60,000 .....	3,758	159,364	4,134	163,157	962	344	1,043	342	3,756	31,786	4,130	31,176
\$60,000 under \$70,000 .....	2,035	101,048	2,313	106,320	581	316	627	202	2,034	22,312	2,311	22,388
\$70,000 under \$80,000 .....	1,063	60,877	1,328	68,818	320	143	392	263	1,063	14,822	1,328	15,667
\$80,000 under \$90,000 .....	676	43,682	824	47,692	214	100	257	90	677	11,432	825	11,677
\$90,000 under \$100,000 .....	427	30,537	539	34,220	164	282	175	286	428	8,388	542	8,659
\$100,000 under \$125,000 .....	564	47,824	717	51,875	223	182	266	138	564	14,526	719	14,661
\$125,000 under \$150,000 .....	277	28,981	358	30,085	114	131	132	117	276	9,553	360	9,293
\$150,000 under \$175,000 .....	174	21,693	261	25,009	74	59	107	107	175	7,891	263	8,214
\$175,000 under \$200,000 .....	97	14,261	167	18,299	46	78	76	115	97	5,319	168	6,408
\$200,000 under \$300,000 .....	193	35,998	270	38,903	104	307	122	300	194	14,482	272	14,824
\$300,000 under \$400,000 .....	67	17,896	110	20,907	39	108	50	103	67	7,865	112	8,828
\$400,000 under \$500,000 .....	29	10,383	50	12,111	15	71	24	78	29	4,720	51	5,286
\$500,000 under \$1,000,000 .....	51	27,328	85	29,432	33	176	48	180	51	12,928	86	13,590
\$1,000,000 or more .....	32	56,986	55	69,822	17	475	29	557	32	29,169	56	35,792





## Section 2

## Description of the Sample\*

This section describes the sample criteria and selection, the method of estimation and sampling variability of the estimates contained in this report. It also describes the methodology needed to compute confidence interval estimates, as well as some of the limitations of the data. Statistical estimates included in this report are based on the tax return (1).

### SAMPLE SELECTION

The statistics in this report were estimated from a stratified probability sample of unaudited Individual Income Tax Returns, Forms 1040, 1040A, and 1040EZ filed by U.S. citizens and residents. The sample was designated at the Martinsburg Computing Center and was processed in the ten Internal Revenue Service (IRS) Centers during Calendar Year 1987. The total sample of 89,165 returns was selected from a population of 103,423,686 returns.

All returns processed during 1987 were subjected to sampling except tentative and amended returns. Tentative returns were not subjected to sampling because the revised returns may have been sampled later on, while amended returns were excluded because the original returns had already been subjected to sampling. A small percentage of returns were not identified as tentative or amended until after sampling. These returns along with those returns that contained no income information were excluded from the tables in this report. Sample returns representing approximately 378,516 returns were excluded from the tables.

The estimates in this report are intended to represent all returns filed for Tax Year 1986. While about 98 percent of the returns processed during Calendar Year 1987 were for Tax Year 1986, a few were for noncalendar years ending during 1986 and 1987 and some were returns for prior years. Returns for prior years were used in place of 1986 returns received and processed after December 31, 1987. This was done in the belief that the characteristics of returns due but not yet filed could best be represented by the returns for previous income years that were processed in 1987.

Therefore, data for Tax Year 1986 may include amounts of minimum tax (or other discontinued items) reported on returns filed in 1987.

### SAMPLE DESIGN AND SELECTION CRITERIA

Data from Forms 1040, 1040A, and 1040EZ processed to the IRS Individual Master File System at the Martinsburg Computing Center during Calendar Year 1987 were stratified, by computer, into sample strata. These strata were based on the larger of total income or total loss amounts and the size of business plus farm receipts. In addition the strata were based on the presence or absence of a Form 2555, Foreign Earned Income; a Form 1116, Computation of Foreign Tax Credit; a Schedule C, Profit or (Loss) From Business or Profession; and a Schedule F, Farm Income and Expenses. Twenty variables were used to derive the total income and loss amounts.

Returns were then selected from the sample strata using two methodologies. One method used certain ending digits of the Social Security Number (SSN) and the second method used ending digits of random numbers generated from transformations of the SSN. The sampling rates ranged from 0.01 percent to 100 percent.

Table C contains the number of returns in the population and sample by sample stratum for the United States and State Groups. The State Groups were formed on the basis of total number of Forms 1040, 1040A, and 1040EZ filed from each State. The sampling rates of each State Group were identical. A comparison of the population counts in Table C with the total shown in the national tables of this report will disclose a small difference. This difference is the result of having excluded an estimated 378,516 returns (see above).

### METHOD OF ESTIMATION

Weighting factors were obtained by dividing the computer population count of returns in a sample stratum by the number of sample returns for that stratum. The weighting factors were then converted to

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\*Bonnye Walker designed the sample, and prepared the text and table in this section under the direction of Yahia Ahmed, Chief, Mathematical Statistical Team.

Table C.—Number of Forms 1040, 1040A and 1040EZ in the Population and Sample, 1986

Description of the sample strata	Number of Returns					
	United States Total <sup>1</sup>		State Group A <sup>2</sup>		State Group C <sup>3</sup>	
	Population counts	Sample counts	Population counts	Sample counts	Population counts	Sample counts
	(1)	(2)	(3)	(4)	(5)	(6)
Grand total .....	103,423,686	89,165	6,809,304	4,928	96,614,382	84,237
Form 1040 returns only with adjusted gross income of \$200,000 and over with no income tax after credits and no additional tax for tax preferences, total .....	669	669 <sup>4</sup>	34	34	635	635 <sup>4</sup>
Form 1040 returns only with combined Schedule C (business or profession) net profit or net loss of \$300,000 and over, total .....	10,520	10,519	553	553	9,967	9,966
Larger of total income amount or total loss amount and Size of business receipts plus farm receipts						
Forms 1040 only with Form 2555, total .....	170,308	93	—	—	170,308	93
Under \$2,000,000 .....	170,264	49	—	—	170,264	49
\$2,000,000 and over .....						
Under \$2,000,000 .....	44	44	—	—	44	44
Under \$2,000,000 .....						
Forms 1040 only with Form 1116, but without Form 2555, total .....	469,726	2,519	26,232	100	443,494	2,419
Under \$2,000,000 .....	467,266	59	26,139	7	441,127	52
\$2,000,000 and over .....						
Under \$2,000,000 .....	2,460	2,460	93	93	2,367	2,367
Under \$2,000,000 .....						
Forms 1040 only with Schedule C, but without Form 2555 or Form 1116, total ..	12,710,746	21,109	938,142	1,252	11,772,604	19,857
Under \$25,000 .....	5,795,606	1,961	456,374	158	5,339,232	1,803
\$25,000 under \$50,000 .....						
Under \$25,000 .....						
\$50,000 under \$100,000 .....	4,202,487	2,309	313,787	172	3,888,700	2,137
Under \$50,000 .....						
\$100,000 under \$200,000 .....	2,045,657	3,337	129,872	214	1,915,785	3,123
Under \$100,000 .....						
\$200,000 under \$500,000 .....	495,887	2,456	28,956	143	466,931	2,313
Under \$200,000 .....						
\$500,000 under \$1,000,000 .....	136,329	2,373	7,408	126	128,921	2,247
Under \$500,000 .....						
\$1,000,000 under \$2,000,000 .....	23,179	2,960	1,181	171	21,998	2,789
Under \$1,000,000 .....						
\$2,000,000 under \$5,000,000 .....	7,640	2,545	387	119	7,253	2,426
Under \$2,000,000 .....						
\$5,000,000 and over .....	3,090	2,297	136	108	2,954	2,189
Under \$5,000,000 .....						
\$5,000,000 and over .....	871	871	41	41	830	830
Under \$5,000,000 .....						
Forms 1040 only with Schedule F, but without Form 2555, Form 1116, or Schedule C, total .....	1,953,049	3,178	183,844	213	1,769,205	2,965
Under \$25,000 .....	936,331	136	97,609	18	838,722	118
\$25,000 under \$50,000 .....						
Under \$25,000 .....						
\$50,000 under \$100,000 .....	653,565	158	57,185	12	596,380	146
Under \$50,000 .....						
\$100,000 under \$200,000 .....	270,383	223	21,364	11	249,019	212
Under \$100,000 .....						
\$200,000 under \$500,000 .....	61,519	159	5,365	12	56,154	147
Under \$200,000 .....						
\$500,000 under \$1,000,000 .....	23,990	431	1,850	36	22,140	395
Under \$500,000 .....						
\$1,000,000 under \$2,000,000 .....	4,910	586	327	33	4,583	553
Under \$1,000,000 .....						
\$2,000,000 under \$5,000,000 .....	1,564	858	99	52	1,465	806
Under \$2,000,000 .....						
\$5,000,000 and over .....	596	436	33	27	563	409
Under \$5,000,000 .....						
\$5,000,000 and over .....	191	191	12	12	179	179
Under \$5,000,000 .....						
Forms 1040, 1040A and 1040EZ without Form 2555, Form 1116, Schedule C, or Schedule F, total .....	88,108,668	51,078	5,660,499	2,776	82,448,169	48,302
Under \$25,000 .....	57,768,929	12,117	3,838,948	791	53,929,981	11,326
\$25,000 under \$50,000 .....	21,679,110	6,445	1,367,022	426	20,312,088	6,019
Under \$25,000 .....						
\$50,000 under \$100,000 .....	7,404,142	8,859	393,261	466	7,010,881	8,393
Under \$50,000 .....						
\$100,000 under \$200,000 .....	944,628	3,932	46,876	202	897,752	3,730
Under \$100,000 .....						
\$200,000 under \$500,000 .....	251,158	4,950	11,730	235	239,428	4,715
Under \$200,000 .....						
\$500,000 under \$1,000,000 .....	41,177	4,878	1,841	217	39,336	4,661
Under \$500,000 .....						
\$1,000,000 under \$2,000,000 .....	13,156	4,778	532	203	12,624	4,575
Under \$1,000,000 .....						
\$2,000,000 under \$5,000,000 .....	4,946	3,697	234	181	4,712	3,516
Under \$2,000,000 .....						
\$5,000,000 and over .....	1,422	1,422	55	55	1,367	1,367
Under \$5,000,000 .....						

<sup>1</sup> Three State Groups (A, B and C) were available for use in the sample design, however, State Group B was empty.

<sup>2</sup> State Group A contains returns from the District of Columbia and the following states: Alaska, Delaware, Hawaii, Idaho, Maine, Montana, Nevada, New Hampshire, New Mexico, North Dakota, Rhode Island, South Dakota, Utah, Vermont, West Virginia, and Wyoming.

<sup>3</sup> State Group C includes returns from those states that are not included in State Group A and the following: Puerto Rico, the Office of the Assistant Commissioner (International) and taxpayers having APO/FPO addresses.

<sup>4</sup> This population includes 10 Form 1040 returns that have alternative minimum tax other than zero.



"integer weighting factors" which were applied to each return. For example, if a weight of 44.24 was computed for a stratum, 24 percent of the sample returns in that stratum would receive an integer weight of 45, and 76 percent a weight of 44. One set of weighting factors was also computed for each State Group including "B" which has nothing. These two sets of weighting factors were used to generate all of the estimated numbers of returns and amounts in this report.

#### SAMPLING VARIABILITY AND CONFIDENCE INTERVALS

The particular sample used in this study is one of a large number of all possible samples that could have been selected using the same sample design. Estimates derived from the different samples would differ from each other. The deviation of a sample estimate from the average of all possible samples is called the sampling error. The standard error of an estimate is a measure of the variation among the estimates from the possible samples and thus is a measure of the precision with which an estimate from a particular sample approximates the average result of all possible samples.

The coefficient of variation (CV) is the standard error of the estimate expressed as a percent of the estimate. Table 1.4 CV contains computed CV's for many estimates in this report. The CV's were derived from using the sum-of-squares method.

The sample estimate and an estimate of its standard error permit the construction of interval estimates with prescribed confidence that the interval includes the population value. For example, from Table 1.4, the amount estimate, X, for State income tax refunds is \$9.902 billion and its related coefficient of variation, CV(X), is 1.40 percent. The standard deviation (error) of the estimate, SE(X), is needed to construct the interval estimate and its coefficient of variation:

$$\begin{aligned} \text{SE}(X) &= X \cdot \text{CV}(X) \\ &= (\$9.902 \text{ billion}) \cdot (0.014) \\ &= \$0.139 \text{ billion} \end{aligned}$$

This SE(X) value is then subtracted from or added to the estimate, X, to construct a 68 percent confidence interval estimate. The interval is calculated using the formula:

$$(X - \text{SE}(X)) \leq Y \leq (X + \text{SE}(X))$$

where Y is the population value estimated by X. Based on these data, the interval estimate is from \$9.763 billion (9.902 - 0.139) to \$10.040 billion (9.902 + 0.139).

A conclusion that the average estimate of State income tax refunds lies within an interval computed in this way would be correct for approximately two-thirds of all possible similarly selected samples. To obtain this

interval estimate with 95 percent confidence, multiply the SE(X) value by two. For these data, the resulting interval would be from \$9.763 billion to \$10.040 billion.

#### TABLE PRESENTATION

Whenever a weighted frequency is less than 3, the estimate and its corresponding amount are combined or deleted in order to avoid disclosure of information for specific taxpayers. These combinations and deletions are indicated by a double asterisk (\*\*) and by a dagger (†), respectively. Estimates based on less than 10 sampled returns are considered to be unreliable. These estimates are noted by a single asterisk (\*) to the left of the data unless all of the sampled returns are selected with certainty (at the 100 percent rate).

In the tables, a dash (-) in place of a frequency or an amount indicates that either no returns in the population had the characteristic or the characteristic was so rare that it did not appear on any of the sampled returns.

Further details concerning confidence intervals, including the approximation of CV's for combined sample estimates, may be obtained by writing to the Statistics of Income Division, R:S:I, Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, DC 20224.

#### PROCESSING AND MANAGEMENT OF THE SAMPLE

While the sample was being selected, the selection process was monitored by applying prescribed sampling rates for each stratum to the population for that stratum. A follow-up was required to reconcile differences between the actual number of returns selected and the expected number.

In transcribing and tabulating the information from the returns in the sample, checks were imposed to improve the quality of the resulting estimates. Incorrect or missing entries on the sampled record were altered during statistical editing to make them consistent with other entries on the return and accompanying schedules. Data were also adjusted during editing in an attempt to achieve consistent statistical definitions. For example, a taxpayer may have reported director's fees on the other income line of the Form 1040 return. If this situation had been detected during statistical editing, the amount of director's fees would have been included in salaries and wages in the sample record.

The quality of the sample data was controlled at the IRS service centers by means of a continuous verification system that used computer tests to check for mathematical errors and inconsistent data. In addition, these tests identified items and areas of returns where SOI editors were required to

transcribe additional data that is not available from revenue processing files.

After the completion of service center review, data were further validated, tested, and finally balanced at the Detroit Computing Center. Adjustments and imputations for selected fields were used to make each record internally consistent. Data were then tabulated.

A small subsample of returns was selected and independently reviewed, analyzed, and processed for a quality evaluation.

Finally, prior to publication, all statistics and tables were reviewed for accuracy and reasonableness in light of the provisions of the tax laws, taxpayer reporting variations and limitations, economic conditions, comparability with other statistical series, and statistical techniques used in data processing (2).

#### NOTES AND REFERENCES

- (1) A complete revision to the sample design used to produce the statistics from individual income tax returns is being phased in over a three year period beginning with Tax Year 1988 and ending with Tax Year 1990. In addition to new strata classes and methods of estimation, the revisions include the development of a longitudinal panel and the inclusion of a tax family sampling unit.

For Tax Year 1988, data is being collected for a stratified cross-sectional sample and a longitudinal panel. Both the tax return and tax family are being used as sampling units. The methods for selecting the stratified cross-sectional sample is outlined in this section. A subsample of tax returns designated from the Tax Year 1987 sample has been used to determine individuals belonging to the longitudinal panel. The SSN's of these individuals will be used to select

returns for the longitudinal panel. Data for both the cross-sectional sample and the longitudinal panel will be collected to produce statistics for the tax return, as well as the tax family. Statistical estimates for the tax family will be based on the Internal Revenue Code definition of a tax family and, hence, will include the combined statistical data for the primary and secondary taxpayers, and their dependents.

The final phase of the redesign is scheduled for implementation during Tax Year 1990. It includes the new strata classes and the reduction in the size of the longitudinal panel.

For additional details on the redesign see:

Czajka, John L., "Development of a New Income Stratifier for a Sample of Individual Tax Returns", 1988 American Statistical Association Proceedings, Section on Survey Research Methods.

Czajka, John L. and Walker, Bonnye, "Combining Panel and Cross-Sectional Selection in an Annual Sample of Tax Returns", 1989 American Statistical Association Proceedings, Section on Survey Research Methods, forthcoming.

- (2) By the time this publication is released, the preliminary data for the Tax Year 1987 Individual Income Tax Returns will also be available in the Spring 1989 version of Publication 1136. Some frequency and amount estimates for Tax Year 1987 may differ radically from the Tax Year 1986 estimates, since the Tax Year 1987 estimates include new tax law provisions enacted under the Tax Reform Act of 1986.



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\*Production and review of tables was coordinated by June Walters. Louella Ballenger, Jeff Bates, William Bradley, Dorothy Collins, Marshall Epstein, Sandra Harris, Charles Hicks, John Labate, Barbara Longton, Barbara Marshall, and Martha Shiley were responsible for specific tables.

**Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Size of Adjusted Gross Income</b>									
<b>Total .....</b>	<b>103,045,170</b>	<b>100.0</b>	<b>2,481,681,046</b>	<b>100.0</b>	<b>24,083</b>	<b>83,967,413</b>	<b>100.0</b>	<b>2,440,231,669</b>	<b>100.0</b>
No adjusted gross income .....	957,547	0.9	- 42,442,566	( <sup>2</sup> )	- 44,324	15,388	( <sup>2</sup> )	- 1,332,607	( <sup>2</sup> )
\$1 under \$1,000 .....	2,125,319	2.1	1,250,327	0.1	588	798	( <sup>2</sup> )	117	( <sup>2</sup> )
\$1,000 under \$2,000 .....	3,351,776	3.3	5,039,310	0.2	1,503	208,435	0.2	327,166	( <sup>2</sup> )
\$2,000 under \$3,000 .....	3,591,670	3.5	9,032,340	0.4	2,515	203,399	0.2	501,830	( <sup>2</sup> )
\$3,000 under \$4,000 .....	3,222,880	3.1	11,228,023	0.5	3,484	911,528	1.1	3,367,603	0.1
\$4,000 under \$5,000 .....	3,695,968	3.6	16,640,426	0.7	4,502	2,424,750	2.9	10,917,837	0.4
\$5,000 under \$6,000 .....	3,129,980	3.0	17,186,633	0.7	5,491	2,087,113	2.5	11,448,661	0.5
\$6,000 under \$7,000 .....	3,346,519	3.2	21,770,373	0.9	6,505	2,116,728	2.5	13,785,302	0.6
\$7,000 under \$8,000 .....	3,086,815	3.0	23,156,372	0.9	7,502	2,073,033	2.5	15,564,336	0.6
\$8,000 under \$9,000 .....	3,106,309	3.0	26,388,173	1.1	8,495	2,319,681	2.8	19,740,107	0.8
\$9,000 under \$10,000 .....	3,240,690	3.1	30,726,502	1.2	9,481	2,705,718	3.2	25,688,020	1.1
\$10,000 under \$11,000 .....	2,902,881	2.8	30,464,692	1.2	10,495	2,621,018	3.1	27,521,138	1.1
\$11,000 under \$12,000 .....	2,826,952	2.7	32,500,416	1.3	11,497	2,644,089	3.1	30,399,231	1.2
\$12,000 under \$13,000 .....	2,728,154	2.6	34,093,999	1.4	12,497	2,565,005	3.1	32,052,056	1.3
\$13,000 under \$14,000 .....	2,799,030	2.7	37,773,141	1.5	13,495	2,678,029	3.2	36,142,569	1.5
\$14,000 under \$15,000 .....	2,449,035	2.4	35,535,635	1.4	14,510	2,363,419	2.8	34,292,277	1.4
\$15,000 under \$16,000 .....	2,419,989	2.3	37,498,930	1.5	15,495	2,341,770	2.8	36,286,570	1.5
\$16,000 under \$17,000 .....	2,324,427	2.3	38,342,960	1.5	16,496	2,288,988	2.7	37,755,418	1.5
\$17,000 under \$18,000 .....	2,233,533	2.2	39,070,766	1.6	17,493	2,205,849	2.6	38,588,733	1.6
\$18,000 under \$19,000 .....	2,244,703	2.2	41,520,689	1.7	18,497	2,200,511	2.6	40,706,806	1.7
\$19,000 under \$20,000 .....	2,067,599	2.0	40,297,944	1.6	19,490	2,027,132	2.4	39,505,284	1.6
\$20,000 under \$25,000 .....	9,221,431	8.9	206,549,084	8.3	22,399	9,139,455	10.9	204,746,149	8.4
\$25,000 under \$30,000 .....	7,559,001	7.3	207,876,373	8.4	27,501	7,499,447	8.9	206,223,786	8.5
\$30,000 under \$40,000 .....	11,489,629	11.2	398,161,168	16.0	34,654	11,434,253	13.6	396,226,364	16.2
\$40,000 under \$50,000 .....	7,458,776	7.2	332,210,863	13.4	44,540	7,446,963	8.9	331,708,776	13.6
\$50,000 under \$75,000 .....	6,427,825	6.2	381,831,768	15.4	59,403	6,414,601	7.6	381,037,449	15.6
\$75,000 under \$100,000 .....	1,546,776	1.5	131,926,730	5.3	85,291	1,543,446	1.8	131,658,272	5.4
\$100,000 under \$200,000 .....	1,115,593	1.1	146,973,805	5.9	131,745	1,113,163	1.3	146,680,146	6.0
\$200,000 under \$500,000 .....	290,946	0.3	82,840,607	3.3	284,728	290,429	0.3	82,695,622	3.4
\$500,000 under \$1,000,000 .....	51,558	0.1	33,670,463	1.4	653,060	51,467	0.1	33,607,921	1.4
\$1,000,000 or more .....	31,859	( <sup>2</sup> )	72,565,082	2.9	2,277,695	31,808	( <sup>2</sup> )	72,388,730	3.0

Size and accumulated size of adjusted gross income	Taxable returns—Continued									
	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of		
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	Total	Taxable income	Average income tax (dollars)
<b>Size of Adjusted Gross Income</b>										
<b>Total .....</b>	<b>83,917,711</b>	<b>1,916,198,235</b>	<b>100.0</b>	<b>83,898,079</b>	<b>360,571,264</b>	<b>100.0</b>	<b>367,287,213</b>	<b>100.0</b>	<b>19.2</b>	<b>15.1</b>
No adjusted gross income .....	—	—	—	489	5,525	( <sup>2</sup> )	308,483	0.1	( <sup>2</sup> )	20,047
\$1 under \$1,000 .....	—	—	—	—	—	—	7,466	( <sup>2</sup> )	( <sup>2</sup> )	9,356
\$1,000 under \$2,000 .....	205,005	568,078	( <sup>2</sup> )	208,426	16,301	( <sup>2</sup> )	18,676	( <sup>2</sup> )	3.3	90
\$2,000 under \$3,000 .....	198,428	698,946	( <sup>2</sup> )	203,196	39,189	( <sup>2</sup> )	40,172	( <sup>2</sup> )	5.7	198
\$3,000 under \$4,000 .....	911,264	2,621,582	0.1	911,264	79,242	( <sup>2</sup> )	80,491	( <sup>2</sup> )	3.1	88
\$4,000 under \$5,000 .....	2,424,748	8,230,651	0.4	2,424,508	249,977	0.1	250,672	0.1	3.0	103
\$5,000 under \$6,000 .....	2,087,111	8,664,043	0.5	2,087,112	399,872	0.1	399,876	0.1	4.6	192
\$6,000 under \$7,000 .....	2,113,761	10,658,851	0.6	2,115,640	637,853	0.2	647,169	0.2	6.1	306
\$7,000 under \$8,000 .....	2,072,688	12,163,885	0.6	2,072,688	830,633	0.2	834,295	0.2	6.9	402
\$8,000 under \$9,000 .....	2,319,678	15,378,431	0.8	2,319,678	1,119,203	0.3	1,119,404	0.3	7.3	483
\$9,000 under \$10,000 .....	2,705,715	19,773,960	1.0	2,705,715	1,499,530	0.4	1,501,086	0.4	7.6	555
\$10,000 under \$11,000 .....	2,620,907	21,101,244	1.1	2,620,907	1,698,550	0.5	1,702,116	0.5	8.1	649
\$11,000 under \$12,000 .....	2,643,425	23,094,211	1.2	2,643,425	1,996,899	0.6	2,000,986	0.5	8.7	757
\$12,000 under \$13,000 .....	2,564,052	25,017,426	1.3	2,564,052	2,322,769	0.6	2,325,848	0.6	9.3	907
\$13,000 under \$14,000 .....	2,677,908	28,591,472	1.5	2,677,908	2,762,758	0.8	2,769,583	0.8	9.7	1,034
\$14,000 under \$15,000 .....	2,363,418	26,891,929	1.4	2,362,754	2,637,631	0.7	2,639,999	0.7	9.8	1,117
\$15,000 under \$16,000 .....	2,341,753	28,776,376	1.5	2,341,753	2,987,222	0.8	2,987,828	0.8	10.4	1,276
\$16,000 under \$17,000 .....	2,288,979	30,073,713	1.6	2,288,979	3,316,324	0.9	3,316,776	0.9	11.0	1,449
\$17,000 under \$18,000 .....	2,205,825	30,990,732	1.6	2,205,825	3,454,667	1.0	3,459,878	0.9	11.2	1,569
\$18,000 under \$19,000 .....	2,199,968	32,689,019	1.7	2,199,910	3,776,776	1.0	3,784,088	1.0	11.6	1,720
\$19,000 under \$20,000 .....	2,027,123	31,680,814	1.7	2,027,123	3,773,484	1.0	3,792,088	1.0	12.0	1,871
\$20,000 under \$25,000 .....	9,137,117	164,740,813	8.6	9,136,875	20,858,745	5.8	20,882,788	5.7	12.7	2,285
\$25,000 under \$30,000 .....	7,495,360	164,801,486	8.6	7,497,653	22,813,698	6.3	22,850,962	6.2	13.9	3,047
\$30,000 under \$40,000 .....	11,431,536	313,125,763	16.3	11,423,883	48,445,289	13.4	48,628,503	13.2	15.5	4,253
\$40,000 under \$50,000 .....	7,446,018	259,229,563	13.5	7,444,139	45,476,514	12.6	45,744,224	12.5	17.6	6,143
\$50,000 under \$75,000 .....	6,410,742	295,224,191	15.4	6,397,981	61,896,054	17.2	62,459,834	17.0	21.2	9,737
\$75,000 under \$100,000 .....	1,541,699	100,195,905	5.2	1,536,195	25,661,208	7.1	26,280,965	7.2	26.2	17,027
\$100,000 under \$200,000 .....	1,111,183	112,749,282	5.9	1,108,302	35,988,579	10.0	37,289,197	10.2	33.1	33,498
\$200,000 under \$500,000 .....	289,356	64,236,953	3.4	288,796	25,977,492	7.2	27,066,736	7.4	42.1	93,196
\$500,000 under \$1,000,000 .....	51,238	27,310,614	1.4	51,201	12,456,584	3.5	12,928,118	3.5	47.3	251,192
\$1,000,000 or more .....	31,706	56,918,303	3.0	31,702	27,392,697	7.6	29,168,908	7.9	51.2	917,031

Footnote(s) at end of table



**Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total <sup>1</sup>	Average (dollars)			Amount	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Cumulated from Smallest Size of Adjusted Gross Income</b>									
No adjusted gross income	957,547	0.9	-42,442,566	( <sup>2</sup> )	-44,324	15,388	( <sup>2</sup> )	-1,332,607	( <sup>2</sup> )
\$1 under \$1,000	2,125,319	2.1	1,250,327	0.1	588	798	( <sup>2</sup> )	117	( <sup>2</sup> )
\$1 under \$2,000	5,477,095	5.3	6,289,636	0.2	1,148	209,233	0.2	327,283	( <sup>2</sup> )
\$1 under \$3,000	9,068,765	8.8	15,321,977	0.6	1,690	412,632	0.5	829,113	( <sup>2</sup> )
\$1 under \$4,000	12,291,645	11.9	26,549,999	1.1	2,160	1,324,160	1.6	4,196,716	0.2
\$1 under \$5,000	15,987,613	15.5	43,190,425	1.7	2,701	3,748,910	4.5	15,114,553	0.6
\$1 under \$6,000	19,117,593	18.6	60,377,058	2.4	3,158	5,836,023	7.0	26,563,214	1.1
\$1 under \$7,000	22,464,112	21.8	82,147,431	3.3	3,657	7,952,751	9.5	40,348,517	1.7
\$1 under \$8,000	25,550,927	24.8	105,303,803	4.2	4,121	10,025,784	11.9	55,912,852	2.3
\$1 under \$9,000	28,657,236	27.8	131,691,976	5.2	4,595	12,345,465	14.7	75,652,959	3.1
\$1 under \$10,000	31,897,926	31.0	162,418,478	6.4	5,092	15,051,183	17.9	101,340,979	4.2
\$1 under \$11,000	34,800,807	33.8	192,883,170	7.6	5,542	17,672,201	21.0	128,862,117	5.3
\$1 under \$12,000	37,627,759	36.5	225,383,586	8.9	5,990	20,316,290	24.2	159,261,348	6.5
\$1 under \$13,000	40,355,913	39.2	259,477,585	10.3	6,430	22,881,295	27.3	191,313,404	7.8
\$1 under \$14,000	43,154,943	41.9	297,250,726	11.8	6,888	25,559,324	30.4	227,455,973	9.3
\$1 under \$15,000	45,603,978	44.3	332,786,362	13.2	7,297	27,922,743	33.3	261,748,250	10.7
\$1 under \$16,000	48,023,967	46.6	370,285,292	14.7	7,710	30,264,513	36.0	298,034,821	12.2
\$1 under \$17,000	50,348,394	48.9	408,628,252	16.2	8,116	32,553,501	38.8	335,790,239	13.8
\$1 under \$18,000	52,581,927	51.0	447,699,037	17.7	8,514	34,759,350	41.4	374,378,972	15.3
\$1 under \$19,000	54,826,630	53.2	489,219,726	19.4	8,923	36,959,861	44.0	415,085,778	17.0
\$1 under \$20,000	56,894,229	55.2	529,517,670	21.0	9,307	38,986,993	46.4	454,591,061	18.6
\$1 under \$25,000	66,115,660	64.2	736,066,754	29.2	11,133	48,126,448	57.3	659,337,210	27.0
\$1 under \$30,000	73,674,661	71.5	943,943,126	37.4	12,812	55,625,895	66.2	865,560,996	35.5
\$1 under \$40,000	85,164,290	82.6	1,342,104,294	53.2	15,759	67,060,148	79.9	1,261,787,361	51.7
\$1 under \$50,000	92,623,066	89.9	1,674,315,157	66.3	18,077	74,507,111	88.7	1,593,496,137	65.3
\$1 under \$75,000	99,050,891	96.1	2,056,146,926	81.5	20,758	80,921,712	96.4	1,974,533,585	80.9
\$1 under \$100,000	100,597,667	97.6	2,188,073,655	86.7	21,751	82,465,158	98.2	2,106,191,858	86.3
\$1 under \$200,000	101,713,260	98.7	2,335,047,460	92.5	22,957	83,578,321	99.5	2,252,872,003	92.3
\$1 under \$500,000	102,004,206	99.0	2,417,888,067	95.8	23,704	83,868,750	99.9	2,335,567,626	95.7
\$1 under \$1,000,000	102,055,764	99.0	2,451,558,530	97.1	24,022	83,920,217	99.9	2,369,175,547	97.0
\$1 or more	102,087,623	99.1	2,524,123,612	100.0	24,725	83,952,025	100.0	2,441,564,276	100.0
<b>All returns</b>	<b>103,045,170</b>	<b>100.0</b>	<b>2,481,681,046</b>	<b>98.3</b>	<b>24,083</b>	<b>83,967,413</b>	<b>100.0</b>	<b>2,440,231,669</b>	<b>99.9</b>

Size and accumulated size of adjusted gross income	Taxable returns—Continued									
	Taxable income			Income tax after credits			Total income tax			
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of		Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
<b>Cumulated from Smallest Size of Adjusted Gross Income</b>										
No adjusted gross income	—	—	—	489	5,525	( <sup>2</sup> )	308,483	0.1	( <sup>2</sup> )	( <sup>2</sup> ) 20,047
\$1 under \$1,000	—	—	—	—	—	—	7,466	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> ) 9,356
\$1 under \$2,000	205,005	568,078	( <sup>2</sup> )	208,426	16,301	( <sup>2</sup> )	26,142	( <sup>2</sup> )	4.6	8.0 125
\$1 under \$3,000	403,433	1,267,024	0.1	411,622	55,490	( <sup>2</sup> )	66,314	( <sup>2</sup> )	5.2	8.0 161
\$1 under \$4,000	1,314,697	3,888,806	0.2	1,322,886	134,732	( <sup>2</sup> )	146,805	( <sup>2</sup> )	3.8	3.5 111
\$1 under \$5,000	3,739,445	12,119,257	0.6	3,747,394	384,710	0.1	397,477	0.1	3.3	2.6 106
\$1 under \$6,000	5,826,556	20,783,299	1.1	5,834,506	784,582	0.2	797,353	0.2	3.8	3.0 137
\$1 under \$7,000	7,940,317	31,442,151	1.6	7,950,146	1,422,435	0.4	1,444,522	0.4	4.6	3.6 182
\$1 under \$8,000	10,013,005	43,606,035	2.3	10,022,834	2,253,068	0.6	2,278,817	0.6	5.2	4.1 227
\$1 under \$9,000	12,332,683	58,984,468	3.1	12,342,512	3,372,271	0.9	3,399,221	0.9	5.8	4.5 275
\$1 under \$10,000	15,038,398	78,758,426	4.1	15,048,227	4,871,800	1.4	4,899,307	1.3	6.2	4.8 326
\$1 under \$11,000	17,659,305	99,859,670	5.2	17,669,134	6,570,350	1.8	6,601,422	1.8	6.6	5.1 374
\$1 under \$12,000	20,302,730	122,953,881	6.4	20,312,559	8,567,249	2.4	8,602,408	2.3	7.0	5.4 423
\$1 under \$13,000	22,866,782	147,971,307	7.7	22,876,611	10,890,018	3.0	10,928,256	3.0	7.4	5.7 478
\$1 under \$14,000	25,544,690	176,562,779	9.2	25,554,519	13,652,776	3.8	13,697,839	3.7	7.8	6.0 536
\$1 under \$15,000	27,908,108	203,454,707	10.6	27,917,273	16,290,407	4.5	16,337,838	4.4	8.0	6.2 585
\$1 under \$16,000	30,249,861	232,231,084	12.1	30,259,026	19,277,629	5.3	19,325,666	5.3	8.3	6.5 639
\$1 under \$17,000	32,538,840	262,304,797	13.7	32,548,005	22,593,953	6.3	22,642,442	6.2	8.6	6.7 696
\$1 under \$18,000	34,744,665	293,295,529	15.3	34,753,830	26,048,620	7.2	26,102,320	7.1	8.9	7.0 751
\$1 under \$19,000	36,944,633	325,984,548	17.0	36,953,740	29,825,395	8.3	29,886,408	8.1	9.2	7.2 809
\$1 under \$20,000	38,971,756	357,665,363	18.7	38,980,863	33,598,879	9.3	33,678,496	9.2	9.4	7.4 864
\$1 under \$25,000	48,108,873	522,406,176	27.3	48,117,738	54,457,624	15.1	54,561,284	14.9	10.4	8.3 1,134
\$1 under \$30,000	55,604,233	687,207,662	35.9	55,615,391	77,271,322	21.4	77,412,246	21.1	11.3	8.9 1,392
\$1 under \$40,000	67,035,769	1,000,333,425	52.2	67,039,274	125,716,611	34.9	126,040,748	34.3	12.6	10.0 1,880
\$1 under \$50,000	74,481,787	1,259,562,987	65.7	74,483,413	171,193,125	47.5	171,784,973	46.8	13.6	10.8 2,306
\$1 under \$75,000	80,892,529	1,554,787,178	81.1	80,881,394	233,089,180	64.6	234,244,806	63.8	15.1	11.9 2,895
\$1 under \$100,000	82,434,228	1,654,983,083	86.4	82,417,589	258,750,388	71.8	260,525,771	70.9	15.7	12.4 3,159
\$1 under \$200,000	83,545,411	1,767,732,365	92.3	83,525,891	294,738,967	81.7	297,814,968	81.1	16.8	13.2 3,563
\$1 under \$500,000	83,834,767	1,831,969,318	95.6	83,814,687	320,716,459	88.9	324,881,704	88.5	17.7	13.9 3,874
\$1 under \$1,000,000	83,886,005	1,859,279,932	97.0	83,865,888	333,173,043	92.4	337,809,822	92.0	18.2	14.3 4,025
\$1 or more	83,917,711	1,916,198,235	100.0	83,897,590	360,565,740	100.0	366,978,730	99.9	19.2	15.0 4,371
<b>All returns</b>	<b>83,917,711</b>	<b>1,916,198,235</b>	<b>100.0</b>	<b>83,898,079</b>	<b>360,571,264</b>	<b>100.0</b>	<b>367,287,213</b>	<b>100.0</b>	<b>19.2</b>	<b>15.1</b> <b>4,374</b>

Footnote(s) at end of table.

**Table 1.1—Selected Income and Tax Items, by Size and Accumulated Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size and accumulated size of adjusted gross income	All returns					Taxable returns			
	Number of returns	Percent of total	Adjusted gross income less deficit			Number of returns	Percent of total	Adjusted gross income less deficit	
			Amount	Percent of total <sup>1</sup>	Average (dollars)			Amount	Percent of total <sup>1</sup>
Cumulated from Largest Size of Adjusted Gross Income	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
\$1,000,000 or more	31,859	( <sup>2</sup> )	72,565,082	2 9	2,277,695	31,808	( <sup>2</sup> )	72,388,730	3 0
\$500,000 or more	83,417	0 1	106,235,545	4 2	1,273,548	83,275	0 1	105,996,651	4 3
\$200,000 or more	374,363	0 4	189,076,152	7 5	505,061	373,704	0 4	188,692,273	7 7
\$100,000 or more	1,489,956	1 4	336,049,956	13 3	225,544	1,486,867	1 8	335,372,419	13 7
\$75,000 or more	3,036,732	2 9	467,976,686	18 5	154,105	3,030,313	3 6	467,030,691	19 1
\$50,000 or more	9,464,557	9 2	849,808,454	33 7	89,789	9,444,914	11 2	848,068,140	34 7
\$40,000 or more	16,923,333	16 4	1,182,019,318	46 8	69,846	16,891,877	20 1	1,179,776,916	48 3
\$30,000 or more	28,412,962	27 6	1,580,180,486	62 6	55,615	28,326,130	33 7	1,576,003,280	64 5
\$25,000 or more	35,971,963	34 9	1,788,056,858	70 8	49,707	35,825,577	42 7	1,782,227,066	73 0
\$20,000 or more	45,193,394	43 9	1,994,605,942	79 0	44,135	44,965,032	53 6	1,986,973,215	81 4
\$19,000 or more	47,260,993	45 9	2,034,903,885	80 6	43,057	46,992,164	56 0	2,026,478,499	83 0
\$18,000 or more	49,505,696	48 0	2,076,424,575	82 3	41,943	49,192,675	58 6	2,067,185,305	84 7
\$17,000 or more	51,739,229	50 2	2,115,495,360	83 8	40,888	51,398,524	61 2	2,105,774,038	86 2
\$16,000 or more	54,063,656	52 5	2,153,838,320	85 3	39,839	53,687,512	63 9	2,143,529,456	87 8
\$15,000 or more	56,483,645	54 8	2,191,337,250	86 8	38,796	56,029,282	66 7	2,179,816,026	89 3
\$14,000 or more	58,932,680	57 2	2,226,872,886	88 2	37,787	58,392,701	69 5	2,214,108,303	90 7
\$13,000 or more	61,731,710	59 9	2,264,646,027	89 7	36,685	61,070,730	72 7	2,250,250,872	92 2
\$12,000 or more	64,459,864	62 6	2,298,740,025	91 1	35,662	63,635,735	75 8	2,282,302,928	93 5
\$11,000 or more	67,286,816	65 3	2,331,240,442	92 4	34,646	66,279,824	78 9	2,312,702,160	94 7
\$10,000 or more	70,189,697	68 1	2,361,705,133	93 6	33,647	68,900,842	82 1	2,340,223,297	95 8
\$9,000 or more	73,430,387	71 3	2,392,431,636	94 8	32,581	71,606,560	85 3	2,365,911,318	96 9
\$8,000 or more	76,536,696	74 3	2,418,819,809	95 8	31,603	73,926,241	88 0	2,385,651,424	97 7
\$7,000 or more	79,623,511	77 3	2,441,976,181	96 7	30,669	75,999,274	90 5	2,401,215,760	98 3
\$6,000 or more	82,970,030	80 5	2,463,746,553	97 6	29,694	78,116,002	93 0	2,415,001,062	98 9
\$5,000 or more	86,100,010	83 6	2,480,933,186	98 3	28,815	80,203,115	95 5	2,426,449,723	99 4
\$4,000 or more	89,795,978	87 1	2,497,573,612	98 9	27,814	82,627,865	98 4	2,437,367,561	99 8
\$3,000 or more	93,018,858	90 3	2,508,801,635	99 4	26,971	83,539,393	99 5	2,440,735,163	100 0
\$2,000 or more	96,610,528	93 8	2,517,833,975	99 8	26,062	83,742,792	99 7	2,441,236,993	100 0
\$1,000 or more	99,962,304	97 0	2,522,873,285	100 0	25,238	83,951,227	100 0	2,441,564,159	100 0
\$1 or more	102,087,623	99 1	2,524,123,612	100 0	24,725	83,952,025	100 0	2,441,564,276	100 0
<b>All returns</b>	<b>103,045,170</b>	<b>100 0</b>	<b>2,481,681,046</b>	<b>98 3</b>	<b>24,083</b>	<b>83,967,413</b>	<b>100 0</b>	<b>2,440,231,669</b>	<b>99 9</b>

Size and accumulated size of adjusted gross income	Taxable returns—Continued										
	Taxable income			Income tax after credits			Total income tax				
	Number of returns	Amount	Percent of total	Number of returns	Amount	Percent of total	Amount	Percent of			
								Total	Taxable income	Adjusted gross income less deficit	Average income tax (dollars)
	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Cumulated from Largest Size of Adjusted Gross Income											
\$1,000,000 or more	31,706	56,918,303	3 0	31,702	27,392,697	7 6	29,168,908	7 9	51.2	40.3	917,031
\$500,000 or more	82,944	84,228,917	4 4	82,903	39,849,281	11 1	42,097,026	11 5	50.0	39.7	505,518
\$200,000 or more	372,300	148,465,870	7 7	371,699	65,826,773	18 3	69,163,762	18 8	46.6	36.7	185,076
\$100,000 or more	1,483,483	261,215,152	13 6	1,480,001	101,815,352	28 2	106,452,959	29 0	40.8	31.7	71,595
\$75,000 or more	3,025,182	361,411,057	18 9	3,016,196	127,476,560	35 4	132,733,924	36 1	36.7	28.4	43,802
\$50,000 or more	9,435,924	656,635,248	34 3	9,414,177	189,372,614	52 5	195,193,758	53 1	29.7	23.0	20,667
\$40,000 or more	16,881,942	915,864,810	47 8	16,858,316	234,849,129	65 1	240,937,982	65 6	26.3	20.4	14,264
\$30,000 or more	28,313,478	1,228,990,573	64 1	28,282,199	283,294,417	78 6	289,566,485	78 8	23.6	18.4	10,223
\$25,000 or more	35,808,838	1,393,792,059	72 7	35,779,852	306,108,115	84 9	312,417,446	85 1	22.4	17.5	8,721
\$20,000 or more	44,945,955	1,558,532,872	81 3	44,916,727	326,966,860	90 7	333,300,234	90 7	21.4	16.8	7,412
\$19,000 or more	46,973,078	1,590,213,687	83 0	46,943,850	330,740,344	91 7	337,092,322	91 8	21.2	16.6	7,173
\$18,000 or more	49,173,046	1,622,902,706	84 7	49,143,760	334,517,120	92 8	340,876,410	92 8	21.0	16.5	6,929
\$17,000 or more	51,378,871	1,653,893,438	86 3	51,349,585	337,971,787	93 7	344,336,288	93 8	20.8	16.4	6,699
\$16,000 or more	53,667,850	1,683,967,151	87 9	53,638,564	341,288,111	94 7	347,653,064	94 7	20.6	16.2	6,475
\$15,000 or more	56,009,603	1,712,743,528	89 4	55,980,317	344,275,332	95 5	350,640,892	95 5	20.5	16.1	6,258
\$14,000 or more	58,373,021	1,739,635,456	90 8	58,343,071	346,912,963	96 2	353,280,892	96 2	20.3	16.0	6,050
\$13,000 or more	61,050,929	1,768,226,928	92 3	61,020,979	349,675,721	97 0	356,050,474	96 9	20.1	15.8	5,830
\$12,000 or more	63,614,981	1,793,244,354	93 6	63,585,031	351,998,491	97 6	358,376,323	97 6	20.0	15.7	5,632
\$11,000 or more	66,258,406	1,816,338,565	94 8	66,228,456	353,995,389	98 2	360,377,308	98 1	19.8	15.6	5,437
\$10,000 or more	68,879,313	1,837,439,808	95 9	68,849,363	355,693,939	98 6	362,079,424	98 6	19.7	15.5	5,255
\$9,000 or more	71,585,028	1,857,213,769	96 9	71,555,078	357,193,469	99 1	363,580,510	99 0	19.6	15.4	5,077
\$8,000 or more	73,904,706	1,872,592,200	97 7	73,874,756	358,312,672	99 4	364,699,913	99 3	19.5	15.3	4,933
\$7,000 or more	75,977,394	1,884,756,084	98 4	75,947,444	359,143,304	99 6	365,534,209	99 5	19.4	15.2	4,810
\$6,000 or more	78,091,155	1,895,414,935	98 9	78,063,084	359,781,158	99 8	366,181,378	99 7	19.3	15.2	4,688
\$5,000 or more	80,178,266	1,904,078,978	99 4	80,150,196	360,181,030	99 9	366,581,254	99 8	19.3	15.1	4,571
\$4,000 or more	82,603,014	1,912,309,629	99 8	82,574,704	360,431,007	100 0	366,831,925	99 9	19.2	15.1	4,440
\$3,000 or more	83,514,278	1,914,931,211	99 9	83,485,968	360,510,250	100 0	366,912,416	99 9	19.2	15.0	4,392
\$2,000 or more	83,712,706	1,915,630,157	100 0	83,689,164	360,549,438	100 0	366,952,588	99 9	19.2	15.0	4,382
\$1,000 or more	83,917,711	1,916,198,235	100 0	83,897,590	360,565,740	100 0	366,971,264	99 9	19.2	15.0	4,371
\$1 or more	83,917,711	1,916,198,235	100 0	83,897,590	360,565,740	100 0	366,978,730	99 9	19.2	15.0	4,371
All returns	83,917,711	1,916,198,235	100.0	83,898,079	360,571,264	100.0	367,287,213	100.0	19.2	15.1	4,371

<sup>1</sup> Percent based on positive income only<sup>2</sup> Less than 0 05 percent<sup>3</sup> Percent not computed

NOTE Detail may not add to total because of rounding



**Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns											
	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions			Taxable income			Income tax after credits		
				Total	Amount	Number of returns	Number of returns	Amount	Number of returns	Amount	Number of returns	Total income tax
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>All returns, total</b>	<b>103,045,170</b>	<b>2,481,681,046</b>	<b>265,152,112</b>	<b>40,169,452</b>	<b>313,333,998</b>	<b>97,356,296</b>	<b>1,947,024,584</b>	<b>83,898,079</b>	<b>360,571,264</b>	<b>83,967,413</b>	<b>367,287,213</b>	
No adjusted gross income	957,547	-42,442,566	2,504,103	-	3,153,187	384,197	1,881,213	11,962,121	22,454,798	489	5,525	15,388
\$1 under \$5,000	15,987,613	43,190,425	25,485,996	756,068	1,621,767	1,553,876	5,047,094	15,505,727	80,175,587	3,747,394	384,710	3,748,910
\$5,000 under \$10,000	15,910,313	119,228,053	33,617,553	1,621,767	9,570,477	1,553,876	5,047,094	15,505,727	80,175,587	11,300,833	4,487,031	11,302,273
\$10,000 under \$15,000	13,706,052	170,367,883	32,604,023	2,441,139	15,317,770	2,395,277	8,095,933	13,550,911	126,124,161	12,869,046	11,418,607	12,871,560
\$15,000 under \$20,000	11,290,251	196,731,308	28,604,542	3,220,896	20,363,333	3,213,173	10,577,306	11,232,981	155,416,673	11,063,590	17,308,472	11,064,250
\$20,000 under \$25,000	9,221,431	206,549,084	24,999,103	4,005,784	27,000,974	4,005,784	14,631,254	9,194,660	165,356,554	9,136,875	20,858,745	9,139,455
\$25,000 under \$30,000	7,559,001	207,876,373	22,528,086	4,437,840	33,106,790	4,437,840	18,932,890	7,541,896	165,356,554	7,497,653	22,813,698	7,499,447
\$30,000 under \$40,000	11,489,629	398,161,168	36,457,371	6,528,999	75,686,077	6,528,999	46,991,181	11,474,320	313,915,976	11,423,883	48,445,289	11,434,253
\$40,000 under \$50,000	7,458,776	332,210,863	25,320,165	6,528,999	69,865,742	6,528,999	46,991,181	7,451,366	259,365,436	7,444,139	45,476,514	7,446,963
\$50,000 under \$75,000	6,427,825	381,831,768	22,317,732	6,055,579	85,791,966	6,055,579	64,283,135	6,417,415	295,298,881	6,397,981	61,896,054	6,414,601
\$75,000 under \$100,000	1,546,776	131,926,730	5,416,999	1,496,996	31,636,037	1,496,996	26,345,892	1,542,724	100,211,601	1,536,195	25,661,208	1,543,446
\$100,000 under \$200,000	1,115,593	146,973,805	3,970,810	1,092,859	34,261,120	1,092,859	30,402,930	1,111,622	112,757,958	1,108,302	35,988,579	1,113,163
\$200,000 under \$500,000	290,946	82,840,607	1,029,985	283,811	19,197,592	283,811	17,690,439	289,557	64,277,685	289,557	25,977,492	290,429
\$500,000 under \$1,000,000	51,558	33,670,463	117,643	51,001	6,419,751	50,992	6,238,615	51,267	27,327,574	51,201	12,456,584	51,467
\$1,000,000 or more	31,859	72,565,082	117,994	31,731	15,667,168	31,724	15,531,745	31,729	56,985,871	31,702	27,392,697	31,808
<b>Taxable returns, total</b>	<b>83,967,413</b>	<b>2,440,231,669</b>	<b>219,933,042</b>	<b>38,148,382</b>	<b>423,166,833</b>	<b>97,356,296</b>	<b>1,916,198,235</b>	<b>83,917,711</b>	<b>360,571,264</b>	<b>83,967,413</b>	<b>367,287,213</b>	
No adjusted gross income	15,388	-1,332,607	39,285	-	252,407	35,869	34,896	3,739,445	12,119,257	489	5,525	15,388
\$1 under \$5,000	3,748,910	15,114,553	4,185,059	393,437	2,899,745	702,701	966,630	11,298,953	66,639,170	3,747,394	384,710	3,748,910
\$5,000 under \$10,000	11,302,273	86,226,426	17,483,256	767,636	9,992,637	1,925,603	4,309,522	12,869,710	124,696,281	11,300,833	4,487,031	11,302,273
\$10,000 under \$15,000	12,871,560	160,407,271	29,120,842	1,971,465	17,819,859	3,048,592	8,556,936	11,063,648	154,210,555	12,869,046	11,418,607	12,871,560
\$15,000 under \$20,000	11,064,250	192,842,811	27,643,151	3,056,315	25,704,323	3,942,465	13,550,516	9,137,117	164,740,813	11,063,590	17,308,472	11,064,250
\$20,000 under \$25,000	9,139,455	204,746,149	24,657,542	3,942,465	31,923,448	4,386,037	17,913,624	7,495,360	164,801,486	9,136,875	20,858,745	9,139,455
\$25,000 under \$30,000	7,499,447	206,223,786	22,335,411	4,389,401	31,923,448	4,386,037	17,913,624	7,495,360	164,801,486	7,497,653	22,813,698	7,499,447
\$30,000 under \$40,000	11,434,253	396,226,366	36,235,264	8,595,331	74,332,391	8,595,331	45,489,719	11,431,536	313,125,763	11,423,883	48,445,289	11,434,253
\$40,000 under \$50,000	7,446,963	331,708,776	25,268,512	6,520,219	69,433,029	6,520,219	46,590,353	7,446,018	259,229,563	7,444,139	45,476,514	7,446,963
\$50,000 under \$75,000	6,414,601	381,037,449	22,266,894	6,042,355	84,702,148	6,042,355	63,237,361	6,410,742	295,224,191	6,397,981	61,896,054	6,414,601
\$75,000 under \$100,000	1,543,446	131,658,272	5,404,592	1,493,666	31,297,804	1,493,666	26,018,944	1,541,699	100,195,905	1,536,195	25,661,208	1,543,446
\$100,000 under \$200,000	1,113,163	146,680,146	3,960,069	1,090,429	33,886,212	1,089,707	30,036,192	1,111,183	112,743,282	1,108,302	35,988,579	1,113,163
\$200,000 under \$500,000	290,429	82,695,921	1,028,029	283,354	19,043,105	283,247	17,537,655	289,553	64,236,953	289,553	25,977,492	290,429
\$500,000 under \$1,000,000	51,467	33,607,921	117,344	50,919	6,344,988	50,919	6,164,128	51,238	27,310,614	51,201	12,456,584	51,467
\$1,000,000 or more	31,808	72,368,730	117,792	31,687	15,534,739	31,680	15,399,468	31,706	56,918,303	31,702	27,392,697	31,808
<b>Nontaxable returns, total</b>	<b>19,077,757</b>	<b>41,449,377</b>	<b>45,219,070</b>	<b>2,034,329</b>	<b>23,891,139</b>	<b>2,021,070</b>	<b>17,528,054</b>	<b>13,440,585</b>	<b>30,826,349</b>	<b>—</b>	<b>—</b>	<b>—</b>

Footnote(s) at end of table

Table 1.2.—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status  
—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Joint returns of husbands and wives											
	Number of returns		Adjusted gross income less deficit		Exemption amount		Total		Itemized deductions		Taxable income	
	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)
All returns, total	47,870,191	1,710,618,197	178,404,473	28,247,663	349,093,755	28,244,707	245,430,207	45,994,440	1,319,005,047	42,537,189	261,132,080	42,590,214
No adjusted gross income	531,498	-31,898,827	1,881,742	146,567	1,446,281	146,567	901,346	540,230	640,385	274	2,052	8,612
\$1 under \$5,000	1,547,536	4,664,388	5,823,657	550,225	3,896,126	547,269	1,886,052	3,362,425	12,528,697	*15,855	*51,809	16,756
\$5,000 under \$10,000	3,603,367	27,886,580	13,521,873	1,079,919	8,030,278	1,079,919	4,083,686	4,373,588	34,556,248	1,230,178	214,198	1,230,490
\$10,000 under \$15,000	4,480,291	56,249,389	16,997,296	1,562,349	11,430,102	1,562,349	5,713,626	4,632,704	57,293,224	3,968,942	2,103,856	3,970,782
\$15,000 under \$20,000	4,660,440	81,703,195	17,783,684	2,100,540	15,821,654	2,100,540	8,125,083	4,856,383	82,425,749	4,500,878	5,033,625	4,501,483
\$20,000 under \$25,000	4,874,854	109,485,106	17,919,378	2,694,543	21,476,885	2,694,543	11,599,268	4,782,052	101,507,195	4,805,188	8,701,926	4,807,710
\$25,000 under \$30,000	4,791,820	131,924,654	18,016,954	3,406,163	27,490,629	3,406,163	14,599,913	6,403,522	123,028,322	4,742,823	12,343,149	4,744,551
\$30,000 under \$40,000	8,530,675	296,948,179	31,671,088	5,636,789	60,458,326	5,636,789	39,790,887	8,519,828	230,278,432	8,477,916	32,762,093	8,486,310
\$40,000 under \$50,000	6,410,569	285,881,820	23,568,543	5,468,033	77,327,028	5,468,033	22,987,512	5,769,653	222,091,432	6,396,295	37,467,360	6,399,035
\$50,000 under \$75,000	5,777,052	343,378,591	21,163,058	1,332,990	27,872,855	1,332,990	22,987,512	1,369,324	264,957,367	5,753,920	54,175,955	5,767,496
\$75,000 under \$100,000	1,372,972	116,949,560	5,111,644	962,539	30,211,425	962,539	26,672,433	975,821	88,922,066	1,363,685	22,270,486	1,370,266
\$100,000 under \$200,000	978,779	129,213,860	3,731,432	234,617	14,559,913	234,617	13,612,937	236,346	98,924,392	973,106	30,965,186	976,926
\$200,000 under \$500,000	237,440	67,308,117	937,893	44,353	5,484,689	44,353	5,319,722	44,558	52,892,895	235,639	21,102,948	237,009
\$500,000 under \$1,000,000	44,764	29,083,399	165,274	28,036	13,587,564	28,036	13,462,710	28,008	23,659,501	44,501	10,735,614	44,718
\$1,000,000 or more	28,114	61,840,187	110,956	27,109,206	334,522,810	27,109,206	235,030,863	42,551,507	46,327,574	27,989	23,201,824	28,070
Taxable returns, total	42,590,214	1,704,437,762	156,901,750	27,109,206	334,522,810	27,109,206	235,030,863	42,551,507	1,307,654,495	42,537,189	261,132,080	42,590,214
No adjusted gross income	8,612	-1,075,097	28,179	4,249	31,657	4,249	16,073	*7,963	*12,432	274	2,052	8,612
\$1 under \$5,000	16,756	47,515	40,491	137,727	688,303	137,727	185,128	1,227,222	6,552,579	*15,855	*51,809	16,756
\$5,000 under \$10,000	1,230,490	10,565,257	3,619,112	759,458	4,519,043	759,458	1,747,120	3,969,606	32,852,044	1,230,178	214,198	1,230,490
\$10,000 under \$15,000	3,970,782	50,110,271	14,556,955	1,445,733	9,686,221	1,445,733	4,394,057	4,500,936	56,415,910	3,968,942	2,103,856	3,970,782
\$15,000 under \$20,000	4,501,483	78,941,595	17,034,447	1,445,733	9,686,221	1,445,733	4,394,057	4,500,936	56,415,910	4,500,878	5,033,625	4,501,483
\$20,000 under \$25,000	4,807,710	108,000,979	17,615,752	2,050,233	14,889,430	2,050,233	7,376,501	4,805,430	81,852,590	4,805,188	8,701,926	4,807,710
\$25,000 under \$30,000	4,744,551	130,621,409	17,847,869	2,657,575	20,674,009	2,657,575	10,932,024	4,740,530	100,975,291	4,742,823	12,343,149	4,744,551
\$30,000 under \$40,000	8,486,310	295,394,847	31,486,843	6,369,967	56,581,052	6,369,967	33,225,229	8,484,441	229,553,152	8,477,916	32,762,093	8,486,310
\$40,000 under \$50,000	6,399,035	285,393,104	23,517,426	5,628,288	60,048,599	5,628,288	39,412,358	6,398,174	221,955,559	6,396,295	37,467,360	6,399,035
\$50,000 under \$75,000	5,767,496	342,811,276	21,120,486	5,458,477	76,565,656	5,458,477	56,546,447	5,764,194	264,887,256	5,753,920	54,175,955	5,767,496
\$75,000 under \$100,000	1,370,266	116,728,618	5,099,917	1,330,284	27,585,171	1,330,284	22,709,565	1,368,912	88,906,454	1,363,685	22,270,486	1,370,266
\$100,000 under \$200,000	976,926	128,988,895	3,722,357	960,686	29,924,523	960,686	26,392,271	975,391	98,916,031	973,106	30,965,186	976,926
\$200,000 under \$500,000	237,009	67,187,952	936,127	234,240	14,435,204	234,240	13,489,606	236,177	52,858,053	235,639	21,102,948	237,009
\$500,000 under \$1,000,000	44,718	29,039,378	165,019	44,291	5,425,199	44,291	5,260,458	44,501	23,651,146	44,501	10,735,614	44,718
\$1,000,000 or more	28,070	61,681,763	110,770	27,998	13,468,743	27,998	13,344,026	27,991	48,265,998	27,989	23,201,824	28,070
Nontaxable returns, total	5,279,977	6,180,436	21,502,722	1,138,457	14,570,945	1,135,501	10,399,344	3,342,933	11,350,553	—	—	—

Footnote(s) at end of table



**Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status**  
**—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Returns of married people filing separately, heads of households, and surviving spouses															
Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions				Taxable income			Income tax after credits			Total income tax	
				Total		Excess itemized deductions		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
				Number of returns	Amount	Number of returns	Amount								
(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)			
<b>All returns, total</b>															
No adjusted gross income	11,375,463	179,327,396	31,304,476	3,449,105	27,044,592	18,642,599	10,414,202	132,529,110	7,623,583	18,813,564	7,626,902	19,131,795			
\$1 under \$5,000	75,601	-2,827,848	182,755	—	—	—	—	1,255,981	—	—	—	—			
\$5,000 under \$10,000	1,747,134	4,925,069	4,701,309	*26,794	*192,261	*116,417	933,875	2,585,842	918,261	**7,000	**76,075	**18,550			
\$10,000 under \$15,000	2,636,726	19,693,256	7,329,430	224,775	1,061,560	525,908	2,270,413	20,565,190	2,049,907	2,535,930	2,049,917	2,662,293			
\$15,000 under \$20,000	2,283,322	28,532,829	6,513,840	413,409	2,133,597	405,687	1,143,775	21,335,895	1,578,262	2,204,859	1,578,263	2,223,461			
\$20,000 under \$25,000	1,614,130	27,863,434	4,502,799	599,957	3,237,290	599,957	1,609,303	20,365,990	1,578,262	2,204,859	1,578,263	2,223,461			
\$25,000 under \$30,000	1,117,231	24,928,530	3,122,322	624,785	4,014,721	624,785	1,116,618	19,153,723	1,111,849	2,426,481	1,111,849	2,426,481			
\$30,000 under \$40,000	712,074	19,521,381	1,891,242	526,387	3,739,268	526,387	710,005	15,131,706	709,804	2,198,394	709,804	2,198,394			
\$40,000 under \$50,000	747,481	25,495,186	1,894,705	627,042	5,496,851	627,042	937,176	23,757,886	739,620	3,355,040	740,507	3,380,527			
\$50,000 under \$75,000	230,976	10,280,080	601,824	202,840	2,328,740	202,840	1,829,509	7,824,791	230,756	1,525,454	230,765	1,558,258			
\$75,000 under \$100,000	143,311	8,451,427	390,303	136,326	2,021,408	136,326	1,682,546	6,376,352	142,959	1,479,183	143,201	1,512,453			
\$100,000 under \$200,000	31,858	2,702,113	84,681	31,451	624,959	31,451	548,409	2,070,100	31,825	606,170	31,858	628,368			
\$200,000 under \$500,000	25,696	3,449,038	64,714	25,453	850,681	25,453	789,761	25,560	25,542	918,109	25,636	975,910			
\$500,000 under \$1,000,000	7,419	2,240,405	18,458	7,406	495,237	7,406	478,203	7,322	7,295	752,840	7,383	792,749			
\$1,000,000 or more	938	2,992,771	2,353	932	620,328	932	617,910	932	1,555	402,123	935	421,815			
<b>Taxable returns, total</b>	<b>7,626,902</b>	<b>161,568,257</b>	<b>20,227,906</b>	<b>3,196,077</b>	<b>25,021,123</b>	<b>3,188,355</b>	<b>17,237,874</b>	<b>7,625,918</b>	<b>123,183,166</b>	<b>18,813,564</b>	<b>7,626,902</b>	<b>19,131,795</b>			
No adjusted gross income	463	-41,191	1,223	—	—	—	—	75,612	200,845	—	—	—			
\$1 under \$5,000	75,612	303,266	104,831	—	—	—	—	75,612	200,845	—	—	—			
\$5,000 under \$10,000	919,148	7,597,399	2,115,692	94,900	386,649	94,900	163,906	919,097	5,221,980	**7,000	**76,075	**18,550			
\$10,000 under \$15,000	2,049,917	25,764,498	5,640,233	351,637	1,605,043	343,915	759,500	2,049,907	19,034,481	918,261	261,591	266,293			
\$15,000 under \$20,000	1,578,263	27,269,598	4,350,052	580,213	3,025,083	580,213	1,591,803	1,578,262	21,073,524	1,535,930	1,535,989	1,535,989			
\$20,000 under \$25,000	1,111,849	24,815,535	3,093,736	619,403	3,908,891	619,403	2,417,530	1,111,849	19,152,304	1,578,262	2,204,859	2,223,461			
\$25,000 under \$30,000	709,804	19,460,776	1,886,156	524,318	3,656,817	524,318	2,373,409	709,804	15,127,165	2,426,481	2,426,481	2,426,481			
\$30,000 under \$40,000	740,507	25,244,025	1,864,836	620,668	5,316,094	620,668	3,806,714	740,506	19,517,728	709,804	2,198,394	2,198,394			
\$40,000 under \$50,000	230,765	10,269,664	601,358	202,629	2,317,038	202,629	1,818,330	230,756	7,824,791	3,355,040	740,507	3,380,527			
\$50,000 under \$75,000	143,201	8,444,902	389,900	136,216	2,010,230	136,216	1,671,640	142,959	6,376,352	1,525,454	230,765	1,558,258			
\$75,000 under \$100,000	31,858	2,702,113	84,681	31,451	624,959	31,451	548,409	31,825	2,070,100	142,959	142,959	1,512,453			
\$100,000 under \$200,000	25,636	3,441,784	64,584	25,393	842,117	25,393	781,346	31,825	2,070,100	31,825	606,170	628,368			
\$200,000 under \$500,000	7,383	2,228,972	18,349	7,374	482,496	7,374	465,533	25,542	2,612,170	25,542	918,109	975,910			
\$500,000 under \$1,000,000	1,561	1,079,181	3,929	**2,475	**845,704	**2,475	**839,755	7,295	752,840	7,295	752,840	792,749			
\$1,000,000 or more	935	2,987,733	2,344	932	620,328	932	617,910	1,555	853,046	1,555	402,123	421,815			
<b>Non-taxable returns, total</b>	<b>3,748,561</b>	<b>17,759,140</b>	<b>11,076,569</b>	<b>253,028</b>	<b>2,023,469</b>	<b>253,028</b>	<b>1,404,725</b>	<b>2,788,284</b>	<b>9,345,944</b>	<b>—</b>	<b>—</b>	<b>1,192,546</b>			

Footnote(s) at end of table

**Table 1.2—All Returns: Adjusted Gross Income, Itemized Deductions, Exemptions, and Tax Items by Size of Adjusted Gross Income and by Marital Status**  
**—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns of single persons													
	Number of returns	Adjusted gross income less deficit	Exemption amount	Itemized deductions			Taxable income			Income tax after credits		Total income tax		
				Total	Excess itemized deductions		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
					Number of returns	Amount								
	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)	(52)	
<b>All returns, total</b>	<b>43,799,516</b>	<b>591,735,452</b>	<b>55,443,164</b>	<b>8,970,240</b>	<b>70,919,625</b>	<b>8,483,362</b>	<b>49,261,191</b>	<b>41,049,654</b>	<b>495,490,426</b>	<b>33,737,307</b>	<b>80,625,621</b>	<b>33,750,297</b>	<b>81,695,416</b>	
No adjusted gross income	350,448	—	439,606	—	—	—	—	—	—	*214	*3,473	6,313	56,767	
\$1 under \$5,000	12,692,943	33,600,968	14,961,030	582,707	1,514,644	210,836	863,450	10,488,016	20,558,431	3,655,927	325,901	3,656,542	329,815	
\$5,000 under \$10,000	9,670,220	71,648,217	12,766,250	846,767	4,612,790	781,832	2,635,134	9,557,460	56,003,663	9,152,394	4,011,302	9,152,635	4,018,818	
\$10,000 under \$15,000	6,942,439	85,585,665	9,093,086	947,811	5,153,895	909,671	2,869,472	6,906,910	73,002,724	6,850,197	7,778,821	6,850,861	7,783,466	
\$15,000 under \$20,000	5,015,681	87,164,679	6,318,059	1,058,590	5,715,941	1,050,867	3,108,584	4,990,974	76,787,553	4,984,450	10,069,988	4,984,504	10,070,863	
\$20,000 under \$25,000	3,229,346	72,138,448	3,957,409	1,280,459	7,164,599	1,280,459	3,996,159	3,221,659	63,777,081	3,219,838	9,730,338	3,219,896	9,730,604	
\$25,000 under \$30,000	2,055,107	56,430,337	2,619,890	1,216,910	7,890,637	1,213,546	4,882,892	2,049,839	48,717,929	2,045,026	8,272,155	2,045,092	8,282,433	
\$30,000 under \$40,000	2,211,473	75,717,803	2,891,578	1,609,333	12,698,597	1,609,333	8,711,114	2,207,260	64,060,768	2,206,347	12,328,157	2,207,436	12,379,919	
\$40,000 under \$50,000	817,231	36,048,964	1,149,798	689,370	7,078,676	689,370	5,370,785	817,088	29,449,213	817,088	6,483,700	817,163	6,577,553	
\$50,000 under \$75,000	507,462	30,001,750	764,371	451,220	6,443,530	451,220	5,327,724	504,803	23,963,161	501,695	6,240,917	503,904	6,379,005	
\$75,000 under \$100,000	141,946	12,275,056	220,674	132,555	3,138,222	132,555	2,809,971	141,575	9,219,435	140,685	2,784,552	141,322	2,993,724	
\$100,000 under \$200,000	111,118	14,310,906	174,663	104,867	3,199,014	104,145	2,940,736	110,241	11,221,081	109,654	4,105,284	110,601	4,274,880	
\$200,000 under \$500,000	46,087	13,292,085	73,634	41,788	4,142,431	41,681	3,599,298	45,889	9,634,382	45,862	4,121,704	46,037	4,254,175	
\$500,000 under \$1,000,000	5,208	3,504,340	8,429	5,100	707,371	5,091	694,747	5,151	2,812,595	5,145	1,318,846	5,188	1,379,840	
\$1,000,000 or more	2,807	7,732,124	4,685	2,763	1,459,275	2,756	1,451,125	2,789	6,282,409	2,785	3,050,483	2,803	3,183,554	
<b>Taxable returns, total</b>	<b>33,750,297</b>	<b>574,225,651</b>	<b>42,803,385</b>	<b>8,323,356</b>	<b>63,622,901</b>	<b>7,850,821</b>	<b>43,537,207</b>	<b>33,740,286</b>	<b>485,360,575</b>	<b>33,737,307</b>	<b>80,625,621</b>	<b>33,750,297</b>	<b>81,695,416</b>	
No adjusted gross income	6,313	-216,319	9,882	—	—	—	—	—	—	*214	*3,473	6,313	56,767	
\$1 under \$5,000	3,656,542	14,763,773	4,039,737	389,188	220,748	*31,620	*18,823	3,655,870	11,905,980	3,655,927	325,901	3,656,542	329,815	
\$5,000 under \$10,000	9,152,635	68,063,770	11,758,452	535,009	1,824,793	470,074	617,597	9,152,634	54,864,610	9,152,394	4,011,302	9,152,635	4,018,818	
\$10,000 under \$15,000	6,850,861	84,532,502	8,923,654	860,370	3,868,551	822,230	1,802,903	6,850,197	72,809,756	6,850,197	7,778,821	6,850,861	7,783,466	
\$15,000 under \$20,000	4,984,504	86,631,619	6,258,651	1,030,369	5,108,555	1,022,646	2,571,076	4,984,450	76,721,222	4,984,450	10,069,988	4,984,504	10,070,863	
\$20,000 under \$25,000	3,219,896	71,929,634	3,942,053	1,272,829	6,906,003	1,272,829	3,756,486	3,219,838	63,735,919	3,219,838	9,730,338	3,219,896	9,730,604	
\$25,000 under \$30,000	2,045,092	56,141,602	2,601,386	1,207,508	7,592,622	1,204,144	4,608,191	2,045,026	48,699,029	2,045,026	8,272,155	2,045,092	8,282,433	
\$30,000 under \$40,000	2,207,436	75,587,493	2,883,585	1,605,296	12,435,245	1,605,296	8,457,777	2,206,347	64,054,883	2,206,347	12,328,157	2,207,436	12,379,919	
\$40,000 under \$50,000	817,163	36,046,008	1,149,727	689,302	7,067,392	689,302	5,359,664	817,088	29,449,213	817,088	6,483,700	817,163	6,577,553	
\$50,000 under \$75,000	503,904	29,781,270	756,507	447,662	6,126,261	447,662	5,019,274	503,589	23,960,582	501,695	6,240,917	503,904	6,379,005	
\$75,000 under \$100,000	141,322	12,227,541	219,994	131,931	3,087,673	131,931	2,760,970	140,962	9,219,351	140,685	2,784,552	141,322	2,993,724	
\$100,000 under \$200,000	110,601	14,249,467	173,127	104,350	3,119,571	103,628	2,862,575	110,241	11,221,081	109,654	4,105,284	110,601	4,274,880	
\$200,000 under \$500,000	46,037	13,278,671	73,553	41,740	4,125,405	41,633	3,582,516	45,873	9,632,281	45,862	4,121,704	46,037	4,254,175	
\$500,000 under \$1,000,000	5,188	3,489,387	8,397	5,083	693,207	5,074	680,624	5,143	2,806,422	5,145	1,318,846	5,188	1,379,840	
\$1,000,000 or more	2,803	7,719,234	4,678	2,759	1,446,873	2,752	1,438,733	2,786	6,280,245	2,785	3,050,483	2,803	3,183,554	
<b>Non-taxable returns, total</b>	<b>10,049,219</b>	<b>17,509,801</b>	<b>12,639,779</b>	<b>646,844</b>	<b>7,296,724</b>	<b>632,541</b>	<b>5,723,984</b>	<b>7,309,368</b>	<b>10,129,852</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	

\*Estimate should be used with caution because of the small number of sample returns on which it is based

\*\*Data are based on returns of specific taxpayers

NOTE: Detail may not add to total because of rounding



(All figures are estimates based on samples—money amounts are in thousands of dollars)

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
NOTE: Detail may not add to total because of rounding.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Salaries and wages		Interest received		Domestic and foreign dividends received			State income tax refunds	
	Number of returns	Adjusted gross income less deficit	Number of returns	Amount	Number of returns	Amount	Total	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>All returns, total</b>	<b>103,045,170</b>	<b>2,481,681,046</b>	<b>88,217,638</b>	<b>2,031,025,984</b>	<b>65,236,518</b>	<b>167,640,438</b>	<b>20,896,217</b>	<b>63,629,467</b>	<b>16,753,537</b>
No adjusted gross income	957,547	-42,442,566	388,698	8,006,358	674,799	3,355,810	230,986	830,970	180,399
\$1 under \$5,000	15,987,613	43,190,425	13,077,312	36,418,236	6,125,829	5,383,146	1,336,691	947,653	1,085,189
\$5,000 under \$10,000	15,910,313	119,228,053	12,487,714	90,668,046	7,444,101	14,990,579	1,699,105	1,925,958	1,384,238
\$10,000 under \$15,000	13,706,052	170,367,883	11,404,077	136,018,235	7,172,109	14,598,684	1,710,554	2,576,172	1,446,055
\$15,000 under \$20,000	11,290,251	196,731,308	9,624,312	158,128,550	6,714,249	16,735,986	1,740,615	3,187,855	1,399,312
\$20,000 under \$25,000	9,221,431	206,549,084	8,183,563	173,430,267	6,311,555	12,914,110	1,781,981	3,657,698	1,423,203
\$25,000 under \$30,000	7,559,001	207,876,373	6,926,326	183,030,200	5,697,138	11,225,855	1,560,311	2,415,089	1,206,728
\$30,000 under \$40,000	11,489,629	398,161,168	10,724,171	355,518,309	9,468,356	18,061,853	3,083,854	4,849,463	2,364,761
\$40,000 under \$50,000	7,458,776	332,210,863	6,942,849	296,004,362	6,664,599	15,110,577	2,600,782	5,033,464	1,955,929
\$50,000 under \$75,000	6,427,825	381,831,768	5,905,138	329,768,359	6,014,714	19,762,782	3,034,717	8,255,175	2,406,515
\$75,000 under \$100,000	1,546,776	131,926,730	1,334,952	99,441,319	1,495,219	9,958,822	976,573	5,400,647	852,423
\$100,000 under \$200,000	1,115,593	146,973,805	933,217	96,828,867	1,084,975	10,819,508	821,607	6,928,591	744,640
\$200,000 under \$500,000	290,946	82,840,607	229,711	44,135,980	286,153	6,932,346	242,944	7,666,132	230,659
\$500,000 under \$1,000,000	51,558	33,670,463	35,660	11,609,850	51,054	3,249,432	45,753	2,154,205	44,328
\$1,000,000 or more	31,859	72,565,082	19,938	12,019,047	31,668	4,542,948	29,744	7,800,395	29,158
<b>Taxable returns, total</b>	<b>83,967,413</b>	<b>2,440,231,669</b>	<b>73,328,741</b>	<b>1,959,553,370</b>	<b>57,618,742</b>	<b>153,711,188</b>	<b>18,997,082</b>	<b>60,664,392</b>	<b>15,266,710</b>
No adjusted gross income	15,388	-1,332,607	8,021	602,626	15,124	456,754	8,668	137,868	8,071
\$1 under \$5,000	3,748,910	15,114,553	2,999,702	12,252,940	1,832,244	1,924,525	473,027	330,062	413,290
\$5,000 under \$10,000	11,302,273	86,226,426	9,008,453	65,635,010	5,564,445	10,948,943	1,160,592	1,306,013	980,365
\$10,000 under \$15,000	12,871,560	160,407,271	10,776,198	128,127,960	6,742,056	13,447,769	1,586,937	2,370,928	1,338,715
\$15,000 under \$20,000	11,064,250	192,842,811	9,459,503	155,513,690	6,555,401	16,123,845	1,686,257	3,044,538	1,349,028
\$20,000 under \$25,000	9,139,455	204,746,149	8,126,142	172,182,146	6,254,604	12,652,860	1,759,499	3,548,168	1,402,987
\$25,000 under \$30,000	7,499,447	206,223,786	6,888,853	182,020,359	5,637,825	10,786,988	1,533,686	2,290,238	1,188,108
\$30,000 under \$40,000	11,434,253	396,226,364	10,682,873	354,690,161	9,418,938	17,699,763	3,054,656	4,696,705	2,337,649
\$40,000 under \$50,000	7,446,963	331,708,776	6,933,130	295,654,024	6,652,989	15,046,291	2,595,704	5,024,169	1,951,745
\$50,000 under \$75,000	6,414,601	381,037,449	5,895,439	329,233,241	6,001,797	19,582,502	3,025,161	8,119,606	2,398,909
\$75,000 under \$100,000	1,543,446	131,658,272	1,333,322	99,301,170	1,492,502	9,828,468	975,073	5,393,007	851,101
\$100,000 under \$200,000	1,113,163	146,680,146	932,286	96,692,132	1,082,561	10,661,069	819,881	6,874,269	743,069
\$200,000 under \$500,000	290,429	82,695,622	229,320	44,051,629	285,663	6,873,083	242,569	7,637,663	230,310
\$500,000 under \$1,000,000	51,467	33,607,921	35,598	11,593,658	50,968	3,224,205	45,676	2,129,405	29,685
\$1,000,000 or more	31,808	72,388,730	19,901	12,002,426	31,623	4,454,124	29,696	7,761,753	29,111
<b>Nontaxable returns, total</b>	<b>19,077,757</b>	<b>41,449,377</b>	<b>14,886,897</b>	<b>71,472,615</b>	<b>7,617,776</b>	<b>13,929,250</b>	<b>1,899,135</b>	<b>2,965,075</b>	<b>1,486,827</b>
<b>Total returns, total</b>	<b>103,045,170</b>	<b>2,481,681,046</b>	<b>103,045,170</b>	<b>2,481,681,046</b>	<b>73,328,741</b>	<b>153,711,188</b>	<b>20,896,217</b>	<b>63,629,467</b>	<b>18,253,337</b>
<b>State income tax refunds</b>									
No adjusted gross income	957,547	-42,442,566	388,698	8,006,358	674,799	3,355,810	230,986	830,970	180,399
\$1 under \$5,000	15,987,613	43,190,425	13,077,312	36,418,236	6,125,829	5,383,146	1,336,691	947,653	1,085,189
\$5,000 under \$10,000	15,910,313	119,228,053	12,487,714	90,668,046	7,444,101	14,990,579	1,699,105	1,925,958	1,384,238
\$10,000 under \$15,000	13,706,052	170,367,883	11,404,077	136,018,235	7,172,109	14,598,684	1,710,554	2,576,172	1,446,055
\$15,000 under \$20,000	11,290,251	196,731,308	9,624,312	158,128,550	6,714,249	16,735,986	1,740,615	3,187,855	1,399,312
\$20,000 under \$25,000	9,221,431	206,549,084	8,183,563	173,430,267	6,311,555	12,914,110	1,781,981	3,657,698	1,423,203
\$25,000 under \$30,000	7,559,001	207,876,373	6,926,326	183,030,200	5,697,138	11,225,855	1,560,311	2,415,089	1,206,728
\$30,000 under \$40,000	11,489,629	398,161,168	10,724,171	355,518,309	9,468,356	18,061,853	3,083,854	4,849,463	2,364,761
\$40,000 under \$50,000	7,458,776	332,210,863	6,942,849	296,004,362	6,664,599	15,110,577	2,600,782	5,033,464	1,955,929
\$50,000 under \$75,000	6,427,825	381,831,768	5,905,138	329,768,359	6,014,714	19,762,782	3,034,717	8,255,175	2,406,515
\$75,000 under \$100,000	1,546,776	131,926,730	1,334,952	99,441,319	1,495,219	9,958,822	976,573	5,400,647	852,423
\$100,000 under \$200,000	1,115,593	146,973,805	933,217	96,828,867	1,084,975	10,819,508	821,607	6,928,591	744,640
\$200,000 under \$500,000	290,946	82,840,607	229,711	44,135,980	286,153	6,932,346	242,944	7,666,132	230,659
\$500,000 under \$1,000,000	51,558	33,670,463	35,660	11,609,850	51,054	3,249,432	45,753	2,154,205	44,328
\$1,000,000 or more	31,859	72,565,082	19,938	12,019,047	31,668	4,542,948	29,744	7,800,395	29,158
<b>Taxable returns, total</b>	<b>83,967,413</b>	<b>2,440,231,669</b>	<b>73,328,741</b>	<b>1,959,553,370</b>	<b>57,618,742</b>	<b>153,711,188</b>	<b>18,997,082</b>	<b>60,664,392</b>	<b>15,266,710</b>
No adjusted gross income	15,388	-1,332,607	8,021	602,626	15,124	456,754	8,668	137,868	8,071
\$1 under \$5,000	3,748,910	15,114,553	2,999,702	12,252,940	1,832,244	1,924,525	473,027	330,062	413,290
\$5,000 under \$10,000	11,302,273	86,226,426	9,008,453	65,635,010	5,564,445	10,948,943	1,160,592	1,306,013	980,365
\$10,000 under \$15,000	12,871,560	160,407,271	10,776,198	128,127,960	6,742,056	13,447,769	1,586,937	2,370,928	1,338,715
\$15,000 under \$20,000	11,064,250	192,842,811	9,459,503	155,513,690	6,555,401	16,123,845	1,686,257	3,044,538	1,349,028
\$20,000 under \$25,000	9,139,455	204,746,149	8,126,142	172,182,146	6,254,604	12,652,860	1,759,499	3,548,168	1,402,987
\$25,000 under \$30,000	7,499,447	206,223,786	6,888,853	182,020,359	5,637,825	10,786,988	1,533,686	2,290,238	1,188,108
\$30,000 under \$40,000	11,434,253	396,226,364	10,682,873	354,690,161	9,418,938	17,699,763	3,054,656	4,696,705	2,337,649
\$40,000 under \$50,000	7,446,963	331,708,776	6,933,130	295,654,024	6,652,989	15,046,291	2,595,704	5,024,169	1,951,745
\$50,000 under \$75,000	6,414,601	381,037,449	5,895,439	329,233,241	6,001,797	19,582,502	3,025,161	8,119,606	2,398,909
\$75,000 under \$100,000	1,543,446	131,658,272	1,333,322	99,301,170	1,492,502	9,828,468	975,073	5,393,007	851,101
\$100,000 under \$200,000	1,113,163	146,680,146	932,286	96,692,132	1,082,561	10,661,069	819,881	6,874,269	743,069
\$200,000 under \$500,000	290,429	82,695,622	229,320	44,051,629	285,663	6,873,083	242,569	7,637,663	230,310
\$500,000 under \$1,000,000	51,467	33,607,921	35,598	11,593,658	50,968	3,224,205	45,676	2,129,405	29,685
\$1,000,000 or more	31,808	72,388,730	19,901	12,002,426	31,623	4,454,124	29,696	7,761,753	29,111
<b>Nontaxable returns, total</b>	<b>19,077,757</b>	<b>41,449,377</b>	<b>14,886,897</b>	<b>71,472,615</b>	<b>7,617,776</b>	<b>13,929,250</b>	<b>1,899,135</b>	<b>2,965,075</b>	<b>1,486,827</b>
<b>Total returns, total</b>	<b>103,045,170</b>	<b>2,481,681,046</b>	<b>103,045,170</b>	<b>2,481,681,046</b>	<b>73,328,741</b>	<b>153,711,188</b>	<b>20,896,217</b>	<b>63,629,467</b>	<b>18,253,337</b>
<b>State income tax refunds</b>									
No adjusted gross income	957,547	-42,442,566	388,698	8,006,358	674,799	3,355,810	230,986	830,970	180,399
\$1 under \$5,000	15,987,613	43,190,425	13,077,312	36,418,236	6,125,829	5,383,146	1,336,691	947,653	1,085,189
\$5,000 under \$10,000	15,910,313	119,228,053	12,487,714	90,668,046	7,444,101	14,990,579	1,699,105	1,925,958	1,384,238
\$10,000 under \$15,000	13,706,052	170,367,883	11,404,077	136,018,235	7,172,109	14,598,684	1,710,554	2,576,172	1,446,055
\$15,000 under \$20,000	11,290,251	196,731,308	9,624,312	158,128,550	6,714,249	16,735,986	1,740,615	3,187,855	1,399,312
\$20,000 under \$25,000	9,221,431	206,549,084	8,183,563	173,430,267	6,311,555	12,914,110	1,781,981	3,657,698	1,423,203
\$25,000 under \$30,000	7,559,001	207,876,373	6,926,326	183,030,200	5,697,138	11,225,855	1,560,311	2,415,089	1,206,728
\$30,000 under \$40,000	11,489,629	398,161,168	10,724,171	355,518,309	9,468,356	18,061,853	3,083,854	4,849,463	2,364,761
\$40,000 under \$50,000	7,458,776	332,210,863	6,942,849	296,004,362	6,664,599	15,110,577	2,600,782	5,033,464	1,955,929
\$50,000 under \$75,000	6,427,825	381,831,768	5,905,138	329,768,359	6,014,714	19,762,782	3,034,717	8,255,175	2,406,515
\$75,000 under \$100,000	1,546,776	131,926,730	1,334,952	99,441,319	1,495,219	9,958,822	976,573</		



Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Alimony received		Business or profession				Capital gain distributions reported on Form 1040				Sales of capital assets				
	Number of returns	Amount	Net income		Net loss		Number of returns	Amount	Number of returns	Amount	Returns with short-term capital gain or loss				
			Number of returns	Amount	Number of returns	Amount					Number of returns	Amount	Total short-term gain	Number of returns	Amount
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)				
<b>All returns, total</b>													<b>21,969,122</b>		
No adjusted gross income	249	1,891	98,792	1,646,103	359,793	7,149,636	19,552	10,015	51,166	803,045	48,725	1,769,177			
\$1 under \$5,000	23,837	57,924	860,752	2,090,161	199,386	991,131	236,567	48,272	78,030	186,900	63,618	484,316			
\$5,000 under \$10,000	67,221	225,682	1,201,030	5,782,373	232,058	889,033	218,654	73,103	77,603	92,542	122,272	433,247			
\$10,000 under \$15,000	73,798	358,587	895,231	5,903,309	263,458	1,095,026	289,471	109,520	102,346	193,544	129,505	1,053,727			
\$15,000 under \$20,000	39,895	118,018	976,424	7,865,055	252,436	1,102,352	296,884	135,448	142,160	172,985	156,741	1,267,541			
\$20,000 under \$25,000	63,687	376,194	942,604	8,274,261	216,829	825,386	261,299	84,553	161,563	411,752	161,230	1,590,559			
\$25,000 under \$30,000	55,642	460,095	742,262	6,596,757	268,849	893,546	207,038	76,219	201,938	670,648	191,284	1,953,112			
\$30,000 under \$40,000	71,190	912,214	1,258,581	12,691,628	512,643	1,676,838	385,689	166,903	329,387	567,822	301,840	1,219,933			
\$40,000 under \$50,000	16,535	108,366	802,349	10,743,098	290,850	842,669	325,941	145,249	282,870	694,447	257,836	1,435,399			
\$50,000 under \$75,000	14,995	370,766	880,461	17,866,240	320,501	1,391,226	275,726	200,966	464,409	1,258,014	403,684	3,123,984			
\$75,000 under \$100,000	5,256	49,655	265,515	9,486,520	85,122	685,982	86,836	107,894	210,805	880,416	198,434	1,386,409			
\$100,000 under \$200,000	3,562	59,022	247,485	14,250,345	73,475	948,188	38,390	66,705	246,311	1,753,341	237,741	3,066,279			
\$200,000 under \$500,000	550	26,764	56,255	4,581,297	21,330	561,670	5,576	17,130	105,357	1,392,903	90,941	1,485,034			
\$500,000 under \$1,000,000	170	5,443	15,707	1,314,967	4,668	270,601	417	10,577	24,639	677,031	23,562	612,986			
\$1,000,000 or more	59	4,787	4,358	1,404,839	11,141	749,906	73	4,495	20,150	2,933,916	18,890	1,087,420			
<b>Taxable returns, total</b>	<b>380,979</b>	<b>2,983,536</b>	<b>7,597,465</b>	<b>101,511,608</b>	<b>2,407,895</b>	<b>11,132,302</b>	<b>2,391,147</b>	<b>1,171,035</b>	<b>2,352,571</b>	<b>11,897,370</b>	<b>2,211,869</b>	<b>18,273,255</b>			
No adjusted gross income	..	..	1,525	117,179	4,874	432,275	..	..	4,914	184,833	4,322	171,156			
\$1 under \$5,000	..	..	127,627	436,685	27,799	142,905	91,572	8,194	38,468	56,196	18,848	19,547			
\$5,000 under \$10,000	..	..	637,709	3,022,846	138,453	283,419	153,551	44,194	57,940	78,925	73,818	155,372			
\$10,000 under \$15,000	..	..	765,116	4,949,425	214,628	779,914	273,618	105,878	90,583	158,080	111,368	854,484			
\$15,000 under \$20,000	..	..	918,024	7,212,309	232,262	873,472	294,227	135,983	135,433	144,979	143,028	644,051			
\$20,000 under \$25,000	..	..	918,273	7,809,126	215,344	792,408	255,919	83,392	157,988	406,735	157,606	1,587,853			
\$25,000 under \$30,000	..	..	731,324	6,461,933	262,346	835,654	207,038	76,219	194,822	665,562	183,718	1,811,412			
\$30,000 under \$40,000	71,190	912,214	1,235,526	12,186,712	509,072	1,650,101	382,325	164,845	324,879	539,250	297,016	1,147,010			
\$40,000 under \$50,000	16,535	108,366	796,222	10,547,794	290,330	819,550	325,890	145,189	280,676	663,476	254,896	1,422,079			
\$50,000 under \$75,000	14,987	370,535	878,901	17,824,400	318,418	1,360,726	275,726	200,966	462,273	1,231,729	399,530	2,972,437			
\$75,000 under \$100,000	..	..	263,958	9,440,704	84,729	665,634	86,836	107,894	208,832	865,193	197,792	1,381,843			
\$100,000 under \$200,000	..	..	247,063	14,216,662	72,633	936,692	38,387	66,705	245,878	1,743,888	236,611	3,014,186			
\$200,000 under \$500,000	..	..	56,160	4,573,229	21,232	551,221	..	..	105,162	1,372,941	90,744	1,441,857			
\$500,000 under \$1,000,000	170	5,443	15,687	1,310,347	4,647	267,158	..	..	24,598	662,612	23,516	596,079			
\$1,000,000 or more	59	4,787	4,350	1,402,258	11,128	741,173	73	4,495	20,125	2,922,971	18,856	1,053,888			
<b>Non-taxable returns, total</b>	<b>55,667</b>	<b>151,872</b>	<b>1,650,341</b>	<b>8,985,344</b>	<b>704,644</b>	<b>8,940,887</b>	<b>256,966</b>	<b>86,014</b>	<b>146,163</b>	<b>991,937</b>	<b>194,634</b>	<b>3,695,867</b>			

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets—Continued											
	Returns with short-term capital gain or loss—Continued						Returns with long-term capital gain or loss					
	Net short-term gain			Net short-term loss			Total long-term gain			Total long-term loss		
	Number of returns	Amount	(26)	Number of returns	Amount	(27)	Number of returns	Amount	(30)	Number of returns	Amount	(32)
All returns, total	(25)	(26)	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
No adjusted gross income	35,784	478,142	1,888,442	1,888,442	11,136,698	335,931,721	3,812,841	33,866,157	10,345,855	321,185,372	1,742,646	19,121,809
\$1 under \$5,000	74,451	122,611	43,820	420,026	267,730	17,023,625	101,397	4,693,691	242,313	15,295,290	56,536	2,965,356
\$5,000 under \$10,000	66,189	84,595	114,543	425,299	715,166	2,828,385	180,069	1,077,864	666,437	2,219,063	114,268	314,248
\$10,000 under \$15,000	87,500	116,865	106,536	977,047	768,071	3,966,981	238,387	1,086,707	706,151	2,725,547	108,937	975,027
\$15,000 under \$20,000	113,789	112,924	126,558	1,207,479	947,929	6,061,112	248,000	2,780,078	896,046	5,310,364	141,959	854,734
\$20,000 under \$25,000	119,644	289,900	133,765	1,468,706	819,254	5,679,224	296,764	1,716,980	756,482	5,239,622	135,739	1,277,379
\$25,000 under \$30,000	151,807	231,363	146,896	1,513,828	832,370	6,128,183	267,272	2,370,534	758,131	5,525,737	151,482	1,768,088
\$30,000 under \$40,000	272,905	409,804	237,921	1,061,916	1,435,345	12,839,753	470,888	1,845,928	1,339,530	12,218,794	226,222	1,224,969
\$40,000 under \$50,000	224,116	462,686	208,253	1,203,638	1,245,757	13,053,207	482,460	3,767,938	1,150,112	12,168,510	231,412	2,883,241
\$50,000 under \$75,000	368,541	740,153	312,819	2,606,123	1,753,071	26,898,370	628,434	3,555,220	1,637,458	25,375,867	262,977	2,032,717
\$75,000 under \$100,000	161,073	572,784	153,476	1,078,777	711,239	21,434,721	280,717	1,850,625	660,921	20,430,087	94,198	845,992
\$100,000 under \$200,000	166,211	943,008	185,841	2,255,945	699,087	45,434,600	303,234	3,071,828	651,302	43,430,848	80,595	1,068,076
\$200,000 under \$500,000	66,635	928,996	60,925	1,021,127	234,853	44,720,753	110,346	2,965,249	214,620	42,269,166	18,009	513,661
\$500,000 under \$1,000,000	11,761	454,527	18,482	390,482	47,021	27,326,128	26,552	880,051	45,462	26,600,678	2,205	154,601
\$1,000,000 or more	16,547	2,389,855	6,414	543,359	30,565	100,114,897	12,284	1,688,495	29,828	98,640,791	855	214,389
<b>Taxable returns, total</b>	<b>1,826,504</b>	<b>7,785,049</b>	<b>1,728,428</b>	<b>14,360,934</b>	<b>10,019,377</b>	<b>319,240,181</b>	<b>3,428,012</b>	<b>27,115,292</b>	<b>9,333,702</b>	<b>306,602,628</b>	<b>1,484,247</b>	<b>14,477,739</b>
No adjusted gross income	2,900	137,138	3,291	123,462	15,100	5,871,289	4,933	465,662	14,641	5,484,501	236	78,874
\$1 under \$5,000	38,466	44,822	9,255	8,172	240,669	749,757	32,858	47,596	240,618	745,378	*13,724	*43,217
\$5,000 under \$10,000	53,169	72,764	66,092	149,210	450,523	1,763,020	96,503	206,456	418,962	1,725,273	56,950	168,710
\$10,000 under \$15,000	77,674	90,140	88,841	786,544	702,591	3,527,893	209,987	761,368	654,296	3,348,027	117,339	581,502
\$15,000 under \$20,000	108,885	107,634	114,665	606,707	875,006	5,164,947	236,827	2,673,929	826,171	4,482,781	109,011	1,991,762
\$20,000 under \$25,000	116,906	286,648	132,873	1,467,767	804,941	5,484,515	292,195	1,664,399	743,393	5,091,536	132,652	1,271,421
\$25,000 under \$30,000	150,357	231,084	139,331	1,376,934	802,279	5,702,651	251,933	2,231,550	731,336	5,199,019	143,371	1,727,918
\$30,000 under \$40,000	269,084	399,221	233,369	1,006,981	1,422,462	12,661,656	488,360	1,789,041	1,326,820	12,005,454	225,334	1,212,839
\$40,000 under \$50,000	221,933	434,354	207,247	1,192,997	1,242,438	13,030,884	480,943	3,732,261	1,147,016	12,149,941	230,171	2,851,319
\$50,000 under \$75,000	367,309	727,882	309,887	2,468,590	1,745,539	26,719,552	623,164	3,467,464	1,632,071	25,230,650	260,765	1,978,563
\$75,000 under \$100,000	159,103	559,857	153,214	1,076,506	708,536	21,297,202	279,193	1,733,809	658,686	20,341,656	93,729	778,263
\$100,000 under \$200,000	165,929	939,193	184,733	2,209,491	697,310	45,321,523	302,240	2,979,833	650,041	43,348,172	80,019	1,006,482
\$200,000 under \$500,000	66,519	919,836	60,792	988,753	234,501	44,644,247	110,117	2,898,453	214,338	42,223,862	17,917	478,068
\$500,000 under \$1,000,000	11,735	447,280	18,455	380,747	46,951	27,282,621	26,502	817,086	45,406	26,571,220	2,186	105,684
\$1,000,000 or more	16,535	2,387,155	6,393	518,072	30,531	100,018,425	12,257	1,646,384	29,807	98,575,158	843	203,117
<b>Non-taxable returns, total</b>	<b>110,449</b>	<b>553,164</b>	<b>160,014</b>	<b>3,257,094</b>	<b>1,117,321</b>	<b>16,591,540</b>	<b>384,829</b>	<b>6,752,865</b>	<b>1,012,153</b>	<b>14,582,744</b>	<b>258,399</b>	<b>4,644,070</b>

Footnote(s) at end of table



Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Sales of capital assets—Continued										Sales of property other than capital assets			
	Sales of capital assets reported on Schedule D—Continued					Net capital gain					Net capital loss		Net gain	
	Net long-term capital gain in excess of net short-term capital loss					Amount included in AGI					Number of returns		Amount	
	Total	Amount	Number of returns	Excluded portion	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
<b>All returns, total</b>	<b>10,086,629</b>	<b>315,680,883</b>	<b>10,082,065</b>	<b>189,404,818</b>	<b>10,069,270</b>	<b>126,268,375</b>	<b>10,536,337</b>	<b>135,043,243</b>	<b>2,320,472</b>	<b>3,458,614</b>	<b>994,509</b>	<b>5,259,909</b>	<b>747,849</b>	<b>4,455,767</b>
No adjusted gross income														
\$1 under \$5,000	236,260	14,548,735	236,205	8,729,158	236,204	5,819,403	248,656	6,342,691	—	—	77,895	730,501	89,753	1,985,754
\$5,000 under \$10,000	562,767	2,193,971	562,767	1,316,149	562,767	877,375	597,683	985,295	73,224	88,999	48,498	88,938	43,457	390,842
\$10,000 under \$15,000	647,282	2,676,378	647,282	1,605,568	647,282	1,070,292	670,450	1,153,707	167,113	226,742	72,826	148,189	51,736	187,355
\$15,000 under \$20,000	707,705	3,645,907	702,937	2,187,219	702,937	1,458,019	726,303	1,543,358	162,401	279,002	84,026	245,991	44,689	105,571
\$20,000 under \$25,000	861,549	4,975,555	856,782	2,984,959	861,549	1,989,874	905,561	2,119,205	183,332	279,463	96,586	243,173	47,531	180,109
\$25,000 under \$30,000	744,793	5,103,547	744,793	3,061,857	744,793	2,041,101	793,032	2,325,001	203,153	284,215	51,832	194,497	44,849	134,720
\$30,000 under \$40,000	733,473	5,384,566	733,473	3,230,427	729,832	2,153,433	767,514	2,393,483	212,512	298,527	75,242	262,661	42,667	97,254
\$40,000 under \$50,000	1,291,201	12,019,504	1,294,565	7,211,232	1,290,588	4,807,282	1,388,572	5,200,011	345,051	504,359	109,272	412,330	88,589	230,566
\$50,000 under \$75,000	1,127,110	11,981,796	1,129,638	7,188,679	1,121,697	4,792,302	1,199,472	5,249,995	317,358	422,157	89,463	474,319	79,386	174,370
\$75,000 under \$100,000	1,592,237	24,371,745	1,591,199	14,622,476	1,591,199	9,748,078	1,688,866	10,428,166	375,142	558,375	122,453	616,653	76,554	235,766
\$100,000 under \$200,000	646,781	20,056,681	647,394	12,033,763	645,743	8,022,424	677,016	8,544,703	128,080	224,330	50,191	350,811	54,496	159,047
\$200,000 under \$300,000	631,719	42,507,326	631,277	25,504,203	631,037	17,002,688	655,317	17,945,899	123,040	225,870	68,917	738,363	55,375	241,869
\$300,000 under \$500,000	209,466	41,675,615	209,471	25,005,290	209,362	16,670,167	222,570	17,940,202	25,961	56,668	30,483	334,187	20,674	159,251
\$500,000 under \$1,000,000	44,709	26,343,487	44,710	15,806,071	44,708	10,537,379	45,418	11,030,846	3,021	7,146	13,194	160,158	4,637	71,235
\$1,000,000 or more	29,577	98,196,270	29,572	58,917,747	29,572	39,278,498	29,887	41,860,682	1,084	2,759	3,631	259,139	3,456	102,059
<b>Taxable returns, total</b>	<b>9,107,636</b>	<b>302,172,129</b>	<b>9,103,127</b>	<b>181,299,954</b>	<b>9,090,333</b>	<b>120,865,258</b>	<b>9,597,516</b>	<b>129,110,054</b>	<b>2,146,749</b>	<b>3,208,563</b>	<b>804,056</b>	<b>4,171,615</b>	<b>574,322</b>	<b>1,857,441</b>
No adjusted gross income														
\$1 under \$5,000	14,639	5,365,390	14,639	3,219,227	14,639	2,146,150	14,935	2,309,958	—	—	6,336	87,986	1,026	42,810
\$5,000 under \$10,000	240,567	744,769	240,567	446,785	240,567	297,811	245,335	342,816	*13,724	*12,731	3,484	13,586	*6,638	*103,507
\$10,000 under \$15,000	407,607	1,699,399	407,607	1,019,484	407,607	679,617	430,775	750,995	88,520	125,432	39,974	47,872	*22,278	*42,550
\$15,000 under \$20,000	656,109	3,259,467	651,341	1,955,456	651,341	1,303,499	674,706	1,370,579	142,792	232,881	69,495	219,182	34,589	52,746
\$20,000 under \$25,000	799,677	4,363,007	794,910	2,629,458	799,677	1,752,878	843,076	2,267,281	179,551	277,421	83,098	114,731	44,439	104,025
\$25,000 under \$30,000	731,704	4,955,491	731,704	2,973,027	731,704	1,981,886	778,730	2,263,471	201,332	282,377	50,139	170,282	42,707	124,949
\$30,000 under \$40,000	706,679	5,083,216	706,679	3,049,690	703,038	2,033,004	739,884	2,272,952	210,861	296,143	69,109	234,344	42,012	82,649
\$40,000 under \$50,000	1,279,876	11,905,792	1,283,240	7,143,008	1,279,263	4,761,801	1,375,426	5,143,997	340,770	495,024	104,617	372,350	87,662	197,693
\$50,000 under \$75,000	1,124,080	11,963,951	1,126,608	7,177,974	1,118,667	4,785,166	1,194,323	5,216,367	315,541	416,791	89,463	474,319	79,152	157,642
\$75,000 under \$100,000	1,587,795	24,293,583	1,586,757	14,575,580	1,586,757	9,716,816	1,663,550	10,388,990	373,108	554,806	122,239	611,910	75,529	227,263
\$100,000 under \$200,000	644,749	19,969,361	645,362	11,981,371	643,711	7,987,497	674,932	8,500,494	127,870	223,700	50,060	348,202	54,365	156,489
\$200,000 under \$300,000	630,716	22,448,556	630,274	25,468,821	630,034	16,979,101	654,311	17,918,579	122,671	224,628	68,917	728,586	55,240	236,661
\$300,000 under \$500,000	209,216	41,642,103	209,221	24,985,182	209,112	16,656,762	222,304	17,913,540	25,911	56,542	30,420	331,658	20,614	137,044
\$500,000 under \$1,000,000	44,661	26,317,454	44,662	15,790,452	44,660	10,526,966	45,362	11,013,412	3,017	7,134	13,182	158,481	4,621	69,031
\$1,000,000 or more	29,561	98,140,789	29,556	58,884,459	29,556	39,256,305	29,867	41,835,633	1,081	2,753	3,623	258,125	3,450	100,362
<b>Nontaxable returns, total</b>	<b>976,993</b>	<b>13,508,754</b>	<b>978,938</b>	<b>8,104,864</b>	<b>978,937</b>	<b>5,403,117</b>	<b>1,008,821</b>	<b>5,933,189</b>	<b>173,723</b>	<b>250,051</b>	<b>190,453</b>	<b>1,088,294</b>	<b>173,527</b>	<b>2,598,327</b>

Footnote(s) at end of table.

**Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Pensions and annuities											
Total			In adjusted gross income		Fully included in AGI		Partially included in AGI			Not included in AGI	
Number of returns (51)	Amount (52)	Number of returns (53)	Amount (54)	Number of returns (55)	Amount (56)	Number of returns (57)	Amount received (58)	Amount included in AGI (59)	Number of returns (60)	Amount (61)	
<b>All returns, total</b>											
15,856,719	141,575,750	14,771,235	107,696,794	13,552,475	98,978,963	3,385,373	42,596,787	8,717,832	3,385,373	33,878,955	
No adjusted gross income	769,242	77,453	608,539	73,773	565,730	15,033	203,512	42,809	15,033	160,703	
\$1 under \$5,000	2,894,643	794,455	1,820,804	725,424	1,698,569	163,164	1,196,074	122,234	163,164	1,073,899	
\$5,000 under \$10,000	9,954,448	2,249,610	8,771,872	2,099,345	8,219,382	303,037	1,735,066	552,490	303,037	1,162,576	
\$10,000 under \$15,000	15,701,830	2,267,268	14,031,056	2,153,206	13,291,245	308,298	2,410,585	739,811	308,298	1,670,775	
\$15,000 under \$20,000	15,583,665	1,818,706	12,909,182	1,728,338	12,431,118	269,375	3,152,548	478,064	269,375	2,674,484	
\$20,000 under \$25,000	13,481,442	1,463,432	11,975,023	1,367,330	11,337,869	290,862	2,143,574	637,154	290,862	1,506,419	
\$25,000 under \$30,000	10,587,556	1,096,891	8,807,579	1,014,833	8,168,489	255,142	2,419,067	639,090	255,142	1,779,977	
\$30,000 under \$40,000	17,680,745	1,763,495	13,982,513	1,570,762	12,544,195	525,615	5,136,550	1,438,317	525,615	3,698,233	
\$40,000 under \$50,000	18,152,476	1,351,020	12,587,010	1,168,112	11,089,554	495,708	7,062,922	1,497,456	495,708	5,565,466	
\$50,000 under \$75,000	18,800,753	1,287,323	13,314,063	1,132,937	11,836,752	484,757	6,964,001	1,477,311	484,757	5,486,690	
\$75,000 under \$100,000	7,160,430	321,708	4,140,057	276,811	3,533,242	140,521	3,627,188	606,815	140,521	3,020,373	
\$100,000 under \$200,000	6,969,392	225,457	3,451,231	193,625	3,102,824	105,675	3,866,568	348,408	105,675	3,518,160	
\$200,000 under \$500,000	2,772,797	43,764	886,003	38,668	792,321	22,476	1,980,476	93,682	22,476	1,866,794	
\$500,000 under \$1,000,000	511,709	6,904	189,253	6,065	162,601	3,691	349,108	26,653	3,691	322,456	
\$1,000,000 or more	554,622	3,749	222,611	3,246	205,072	2,019	349,550	17,539	2,019	332,010	
<b>Taxable returns, total</b>											
14,013,132	132,754,325	13,057,956	101,169,714	11,979,028	93,033,934	3,031,269	39,720,391	8,135,780	3,031,269	31,584,611	
No adjusted gross income	51,784	2,139	35,946	1,282	34,535	955	17,249	1,411	955	15,838	
\$1 under \$5,000	329,328	107,502	315,992	93,199	285,636	*14,303	*43,692	*30,356	*14,303	*13,336	
\$5,000 under \$10,000	6,195,082	1,488,525	5,756,877	1,408,268	5,523,433	162,450	671,650	233,444	162,450	438,205	
\$10,000 under \$15,000	14,753,105	2,128,434	13,177,623	2,022,708	12,501,775	281,152	2,251,330	675,848	281,152	1,575,482	
\$15,000 under \$20,000	15,260,875	1,799,513	12,782,039	1,709,145	12,303,975	261,450	2,956,900	478,064	261,450	2,478,836	
\$20,000 under \$25,000	13,319,891	1,455,957	11,819,396	1,361,068	11,223,413	287,829	2,096,478	595,983	287,829	1,500,496	
\$25,000 under \$30,000	10,533,892	1,091,035	8,765,965	1,008,977	8,126,997	250,702	2,406,895	638,968	250,702	1,767,927	
\$30,000 under \$40,000	17,480,427	1,750,726	13,795,021	1,557,993	12,360,811	521,399	5,119,616	1,434,210	521,399	3,685,406	
\$40,000 under \$50,000	18,115,293	1,347,106	12,554,058	1,166,853	11,062,595	492,852	7,052,698	1,491,463	492,852	5,561,235	
\$50,000 under \$75,000	18,793,406	1,286,470	13,309,725	1,132,084	11,832,414	**624,403	**10,588,169	**2,084,124	**624,403	**8,504,046	
\$75,000 under \$100,000	7,152,298	321,092	4,131,932	276,196	3,525,120	**	**	**	**	**	
\$100,000 under \$200,000	6,938,138	225,128	3,433,560	193,355	3,099,277	105,616	3,838,862	334,283	105,616	3,504,578	
\$200,000 under \$500,000	2,765,995	43,698	880,383	38,609	786,933	22,453	1,979,062	93,450	22,453	1,885,612	
\$500,000 under \$1,000,000	9,139	510,739	189,136	6,056	162,485	**5,705	**697,790	**44,176	**5,705	**653,614	
\$1,000,000 or more	554,073	3,737	222,062	3,235	204,536	**	**	**	**	**	
<b>Nontaxable returns, total</b>											
1,843,587	8,821,425	1,713,279	6,527,080	1,573,447	5,945,029	354,104	2,876,396	582,051	354,104	2,294,345	

Footnote(s) at end of table



Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Rent			Royalty			Farm rental		
	Net income		Number of returns	Net income		Number of returns	Net income		Number of returns
	Amount	(63)		Amount	(65)		Amount	(71)	
	(62)		(64)	(66)	(67)	(68)	(69)	(70)	(72)
<b>All returns, total</b>	<b>3,418,181</b>	<b>17,683,393</b>	<b>5,385,314</b>	<b>876,083</b>	<b>5,186,087</b>	<b>64,862</b>	<b>254,634</b>	<b>499,851</b>	<b>136,204</b>
No adjusted gross income	79,032	564,687	186,506	19,759	193,659	839	34,190	9,052	2,265
\$1 under \$5,000	222,478	290,025	171,351	31,686	11,388	14,303	49,232	33,375	50
\$5,000 under \$10,000	456,801	1,016,820	297,828	113,575	210,921	55	1,886	85,452	22,026
\$10,000 under \$15,000	353,581	999,569	380,674	1,373,717	191,590	5,844	11,166	85,600	40,426
\$15,000 under \$20,000	337,935	1,111,984	420,644	1,662,156	186,854	8	90	58,357	14,607
\$20,000 under \$25,000	298,546	962,078	473,967	2,596,047	168,304	3,641	6,553	44,762	2,956
\$25,000 under \$30,000	250,444	727,907	536,337	2,535,200	147,253	4,590	551	38,138	1,820
\$30,000 under \$40,000	404,228	1,022,512	760,156	3,786,537	260,977	9,375	21,202	66,055	13,921
\$40,000 under \$50,000	259,928	1,268,466	664,103	3,660,696	136,815	2,064	20,489	13,792	16,767
\$50,000 under \$75,000	400,717	2,435,353	809,835	5,354,348	434,769	8,523	31,123	35,781	12,149
\$75,000 under \$100,000	143,799	1,943,248	303,587	46,803	255,301	6,919	19,877	14,359	5,302
\$100,000 under \$200,000	137,056	2,248,727	288,021	36,852	437,016	6,098	21,229	9,349	2,568
\$200,000 under \$500,000	50,797	1,602,301	83,782	16,721	479,989	1,764	21,680	3,342	13,422
\$500,000 under \$1,000,000	17,482	943,487	13,273	11,507	1,783,302	477	7,812	310	233
\$1,000,000 or more	5,556	546,421	15,250	2,259	267,947	362	7,552	127	133
<b>Taxable returns, total</b>	<b>2,856,080</b>	<b>15,950,914</b>	<b>4,810,012</b>	<b>749,945</b>	<b>4,748,362</b>	<b>48,986</b>	<b>190,469</b>	<b>408,408</b>	<b>116,574</b>
No adjusted gross income	3,446	57,495	5,115	3,176	16,150	201	15,872	464	12
\$1 under \$5,000	31,232	53,870	13,550	4,835	1,083	4,768	12,626	4,768	—
\$5,000 under \$10,000	283,539	501,729	180,555	59,942	153,084	—	—	45,025	—
\$10,000 under \$15,000	296,439	780,751	317,142	77,549	110,012	4,476	11,111	71,830	9,535
\$15,000 under \$20,000	319,352	1,075,055	392,960	91,214	163,341	—	—	58,357	20,819
\$20,000 under \$25,000	283,265	929,666	456,234	87,822	142,714	—	—	44,762	206,326
\$25,000 under \$30,000	246,729	698,451	523,233	2,276,877	124,332	15,415	42,212	38,138	261,367
\$30,000 under \$40,000	394,414	955,547	750,735	3,650,553	255,104	—	—	66,055	1,820
\$40,000 under \$50,000	267,004	1,229,629	662,010	3,598,039	136,713	—	—	66,055	13,963
\$50,000 under \$75,000	397,722	2,418,967	807,036	5,287,745	434,183	8,523	31,123	78,572	16,767
\$75,000 under \$100,000	142,902	1,937,045	302,674	2,811,599	249,482	—	—	44,762	12,149
\$100,000 under \$200,000	136,315	2,235,857	286,718	3,615,784	437,009	6,911	19,792	38,138	5,302
\$200,000 under \$500,000	50,705	1,598,198	83,575	1,793,864	476,912	2,594	21,229	9,349	2,568
\$500,000 under \$1,000,000	17,454	938,323	13,242	466,422	1,780,432	—	—	310	233
\$1,000,000 or more	5,542	540,330	15,233	2,250	267,803	—	—	127	133
<b>Nontaxable returns, total</b>	<b>562,121</b>	<b>1,732,479</b>	<b>575,302</b>	<b>126,138</b>	<b>417,725</b>	<b>15,876</b>	<b>64,164</b>	<b>91,443</b>	<b>19,630</b>
<b>Total</b>	<b>3,978,201</b>	<b>19,413,393</b>	<b>5,955,314</b>	<b>1,002,223</b>	<b>5,166,087</b>	<b>80,862</b>	<b>318,803</b>	<b>599,251</b>	<b>155,834</b>
<b>Net loss</b>	<b>385,110</b>	<b>2,322,400</b>	<b>136,204</b>	<b>254,634</b>	<b>499,851</b>	<b>64,862</b>	<b>254,634</b>	<b>499,851</b>	<b>136,204</b>
<b>Amount</b>	<b>36,404</b>	<b>83,906</b>	<b>2,265</b>	<b>34,190</b>	<b>193,659</b>	<b>839</b>	<b>34,190</b>	<b>9,052</b>	<b>2,265</b>
<b>Number of returns</b>	<b>1,535</b>	<b>93,333</b>	<b>50</b>	<b>49,232</b>	<b>11,388</b>	<b>14,303</b>	<b>49,232</b>	<b>33,375</b>	<b>50</b>
<b>Amount</b>	<b>24,447</b>	<b>213,349</b>	<b>22,026</b>	<b>1,886</b>	<b>210,921</b>	<b>55</b>	<b>1,886</b>	<b>85,452</b>	<b>22,026</b>
<b>Number of returns</b>	<b>59,030</b>	<b>230,867</b>	<b>40,426</b>	<b>191,590</b>	<b>186,854</b>	<b>8</b>	<b>11,166</b>	<b>85,600</b>	<b>40,426</b>
<b>Amount</b>	<b>71,941</b>	<b>206,326</b>	<b>14,607</b>	<b>1,662,156</b>	<b>168,304</b>	<b>3,641</b>	<b>6,553</b>	<b>58,357</b>	<b>14,607</b>
<b>Number of returns</b>	<b>5,045</b>	<b>261,367</b>	<b>2,956</b>	<b>2,596,047</b>	<b>147,253</b>	<b>4,590</b>	<b>551</b>	<b>44,762</b>	<b>2,956</b>
<b>Amount</b>	<b>188</b>	<b>332,383</b>	<b>13,921</b>	<b>21,202</b>	<b>260,977</b>	<b>9,375</b>	<b>21,202</b>	<b>66,055</b>	<b>13,921</b>
<b>Number of returns</b>	<b>46,399</b>	<b>188,868</b>	<b>12,149</b>	<b>136,815</b>	<b>434,769</b>	<b>8,523</b>	<b>31,123</b>	<b>35,781</b>	<b>12,149</b>
<b>Amount</b>	<b>28,649</b>	<b>126,291</b>	<b>5,302</b>	<b>46,803</b>	<b>255,301</b>	<b>6,919</b>	<b>19,877</b>	<b>14,359</b>	<b>5,302</b>
<b>Number of returns</b>	<b>20,283</b>	<b>132,568</b>	<b>2,568</b>	<b>36,852</b>	<b>437,016</b>	<b>6,098</b>	<b>21,229</b>	<b>9,349</b>	<b>2,568</b>
<b>Amount</b>	<b>13,422</b>	<b>114,566</b>	<b>13,422</b>	<b>16,721</b>	<b>479,989</b>	<b>1,764</b>	<b>21,680</b>	<b>3,342</b>	<b>13,422</b>
<b>Number of returns</b>	<b>9,332</b>	<b>4,769</b>	<b>233</b>	<b>11,507</b>	<b>1,783,302</b>	<b>477</b>	<b>7,812</b>	<b>310</b>	<b>233</b>
<b>Amount</b>	<b>3,998</b>	<b>1,958</b>	<b>133</b>	<b>2,259</b>	<b>267,947</b>	<b>362</b>	<b>7,552</b>	<b>127</b>	<b>133</b>
<b>Net loss</b>	<b>333,947</b>	<b>2,027,294</b>	<b>116,574</b>	<b>190,469</b>	<b>4,748,362</b>	<b>48,986</b>	<b>190,469</b>	<b>408,408</b>	<b>116,574</b>
<b>Amount</b>	<b>131</b>	<b>7,077</b>	<b>12</b>	<b>3,176</b>	<b>16,150</b>	<b>201</b>	<b>15,872</b>	<b>464</b>	<b>12</b>
<b>Number of returns</b>	<b>15,179</b>	<b>3,252</b>	<b>—</b>	<b>4,835</b>	<b>1,083</b>	<b>4,768</b>	<b>12,626</b>	<b>4,768</b>	<b>—</b>
<b>Amount</b>	<b>133,852</b>	<b>115,364</b>	<b>9,535</b>	<b>59,942</b>	<b>153,084</b>	<b>—</b>	<b>—</b>	<b>45,025</b>	<b>—</b>
<b>Number of returns</b>	<b>20,819</b>	<b>201,819</b>	<b>58,357</b>	<b>77,549</b>	<b>110,012</b>	<b>4,476</b>	<b>11,111</b>	<b>71,830</b>	<b>9,535</b>
<b>Amount</b>	<b>261,367</b>	<b>282,903</b>	<b>1,820</b>	<b>142,714</b>	<b>124,332</b>	<b>15,415</b>	<b>42,212</b>	<b>38,138</b>	<b>261,367</b>
<b>Number of returns</b>	<b>186</b>	<b>332,383</b>	<b>13,963</b>	<b>3,650,553</b>	<b>255,104</b>	<b>—</b>	<b>—</b>	<b>66,055</b>	<b>1,820</b>
<b>Amount</b>	<b>46,399</b>	<b>188,868</b>	<b>12,149</b>	<b>1,662,156</b>	<b>168,304</b>	<b>3,641</b>	<b>6,553</b>	<b>58,357</b>	<b>14,607</b>
<b>Number of returns</b>	<b>5,045</b>	<b>261,367</b>	<b>2,956</b>	<b>2,596,047</b>	<b>147,253</b>	<b>4,590</b>	<b>551</b>	<b>44,762</b>	<b>2,956</b>
<b>Amount</b>	<b>28,649</b>	<b>132,568</b>	<b>2,568</b>	<b>36,852</b>	<b>437,016</b>	<b>6,098</b>	<b>21,229</b>	<b>9,349</b>	<b>2,568</b>
<b>Number of returns</b>	<b>31,839</b>	<b>114,566</b>	<b>13,422</b>	<b>16,721</b>	<b>479,989</b>	<b>1,764</b>	<b>21,680</b>	<b>3,342</b>	<b>13,422</b>
<b>Amount</b>	<b>9,332</b>	<b>4,769</b>	<b>233</b>	<b>11,507</b>	<b>1,783,302</b>	<b>477</b>	<b>7,812</b>	<b>310</b>	<b>233</b>
<b>Amount</b>	<b>3,998</b>	<b>1,958</b>	<b>133</b>	<b>2,259</b>	<b>267,947</b>	<b>362</b>	<b>7,552</b>	<b>127</b>	<b>133</b>
<b>Net loss</b>	<b>51,163</b>	<b>295,106</b>	<b>19,630</b>	<b>64,164</b>	<b>417,725</b>	<b>15,876</b>	<b>64,164</b>	<b>91,443</b>	<b>19,630</b>
<b>Amount</b>	<b>28,649</b>	<b>19,792</b>	<b>6,911</b>	<b>2,811,599</b>	<b>249,482</b>	<b>6,911</b>	<b>19,792</b>	<b>38,138</b>	<b>5,302</b>
<b>Number of returns</b>	<b>31,839</b>	<b>21,229</b>	<b>6,098</b>	<b>3,615,784</b>	<b>437,009</b>	<b>2,594</b>	<b>21,229</b>	<b>9,349</b>	<b>2,568</b>
<b>Amount</b>	<b>9,332</b>	<b>4,769</b>	<b>233</b>	<b>1,793,864</b>	<b>476,912</b>	<b>—</b>	<b>—</b>	<b>310</b>	<b>233</b>
<b>Amount</b>	<b>3,998</b>	<b>1,958</b>	<b>133</b>	<b>466,422</b>	<b>1,780,432</b>	<b>—</b>	<b>—</b>	<b>127</b>	<b>133</b>
<b>Net loss</b>	<b>51,163</b>	<b>295,106</b>	<b>19,630</b>	<b>64,164</b>	<b>417,725</b>	<b>15,876</b>	<b>64,164</b>	<b>91,443</b>	<b>19,630</b>
<b>Amount</b>	<b>28,649</b>	<b>19,792</b>	<b>6,911</b>	<b>2,811,599</b>	<b>249,482</b>	<b>6,911</b>	<b>19,792</b>	<b>38,138</b>	<b>5,302</b>
<b>Number of returns</b>	<b>31,839</b>	<b>21,229</b>	<b>6,098</b>	<b>3,615,784</b>	<b>437,009</b>	<b>2,594</b>	<b>21,229</b>	<b>9,349</b>	<b>2,568</b>
<b>Amount</b>	<b>9,332</b>	<b>4,769</b>	<b>233</b>	<b>1,793,864</b>	<b>476,912</b>	<b>—</b>	<b>—</b>	<b>310</b>	<b>233</b>
<b>Amount</b>	<b>3,998</b>	<b>1,958</b>	<b>133</b>	<b>466,422</b>	<b>1,780,432</b>	<b>—</b>	<b>—</b>	<b>127</b>	<b>133</b>

Footnote(s) at end of table

**Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Partnership				Small Business Corporation				Partnership and S Corporation			
	Total income		Total loss		Total income		Total loss		Net income		Net loss	
	Number of returns (74)	Amount (75)	Number of returns (76)	Amount (77)	Number of returns (78)	Amount (79)	Number of returns (80)	Amount (81)	Number of returns (82)	Amount (83)	Number of returns (84)	Amount (85)
<b>All returns, total</b>	<b>2,934,133</b>	<b>48,156,994</b>	<b>3,447,092</b>	<b>61,132,669</b>	<b>608,645</b>	<b>20,928,698</b>	<b>573,293</b>	<b>13,177,579</b>	<b>2,526,289</b>	<b>52,403,581</b>	<b>3,291,166</b>	<b>58,263,081</b>
No adjusted gross income	75,914	2,649,096	177,324	17,599,109	15,021	918,520	68,841	5,152,256	32,222	627,563	209,525	19,839,269
\$1 under \$5,000	161,669	429,627	922,162	16,498	49,752	260,244	44,859	541,474	148,845	362,316	124,118	1,153,271
\$5,000 under \$10,000	130,069	744,074	89,474	597,284	58,901	260,244	44,859	541,474	169,671	794,544	120,094	943,187
\$10,000 under \$15,000	148,969	724,551	124,412	912,605	9,618	39,838	26,069	327,101	122,710	647,356	140,097	1,139,372
\$15,000 under \$20,000	149,627	1,107,793	197,313	962,639	29,257	101,176	35,744	340,587	149,598	1,023,339	222,525	1,178,334
\$20,000 under \$25,000	195,042	1,422,936	176,653	1,068,856	38,213	392,533	28,237	342,650	192,293	1,575,840	185,703	1,208,123
\$25,000 under \$30,000	184,892	2,210,677	207,012	1,184,435	29,563	220,219	23,741	278,991	167,871	1,239,254	204,271	1,300,350
\$30,000 under \$40,000	279,182	2,229,127	391,789	2,113,479	88,601	897,189	54,681	358,761	285,942	2,737,349	384,746	2,150,290
\$40,000 under \$50,000	322,884	2,399,700	374,399	2,439,718	52,739	763,418	56,950	490,677	295,838	2,725,393	357,507	2,528,038
\$50,000 under \$75,000	470,195	5,625,033	628,023	4,632,158	86,599	1,472,791	69,350	702,350	383,011	5,762,947	561,622	4,095,661
\$75,000 under \$100,000	270,683	4,683,713	320,341	4,337,504	57,981	1,290,305	45,752	554,047	203,252	4,890,823	282,078	3,861,015
\$100,000 under \$200,000	353,312	9,597,780	412,204	8,315,237	65,654	2,393,765	52,466	1,110,103	258,165	9,636,525	334,419	7,147,042
\$200,000 under \$500,000	136,927	6,974,367	167,446	7,200,821	34,457	2,797,084	27,141	933,137	82,017	7,231,998	127,003	5,628,903
\$500,000 under \$1,000,000	32,028	3,247,203	35,644	2,941,302	17,763	2,201,491	8,026	546,073	24,642	4,029,437	18,743	2,100,816
\$1,000,000 or more	22,740	5,111,315	25,002	5,925,360	7,780	7,129,772	6,444	1,178,892	10,212	9,118,897	18,715	3,989,409
<b>Taxable returns, total</b>	<b>2,616,568</b>	<b>43,700,898</b>	<b>3,043,969</b>	<b>43,080,399</b>	<b>532,324</b>	<b>19,705,617</b>	<b>432,320</b>	<b>7,093,749</b>	<b>2,251,335</b>	<b>49,995,188</b>	<b>2,839,732</b>	<b>37,281,438</b>
No adjusted gross income	6,418	398,741	8,258	2,719,726	2,023	169,276	4,961	645,887	893	76,656	10,864	2,876,200
\$1 under \$5,000	44,992	47,837	13,435	104,081	*72	*3,627	6,705	53,382	38,347	44,848	16,650	151,346
\$5,000 under \$10,000	88,763	411,653	53,225	271,424	36,340	169,924	*19,081	*78,684	120,033	519,044	64,559	291,476
\$10,000 under \$15,000	119,428	552,812	96,252	598,735	*7,787	*18,411	11,095	79,513	94,065	515,557	106,620	627,970
\$15,000 under \$20,000	127,189	708,250	173,187	590,040	27,103	59,760	29,910	255,691	128,075	706,778	204,471	839,259
\$20,000 under \$25,000	182,078	1,136,635	166,539	857,849	32,215	342,591	25,506	254,139	181,096	1,292,290	175,139	960,040
\$25,000 under \$30,000	179,124	1,075,316	196,037	910,032	22,823	131,494	19,684	158,605	159,896	1,075,176	194,057	964,905
\$30,000 under \$40,000	268,888	2,006,487	383,027	1,813,093	84,910	885,816	53,853	299,298	277,020	2,564,750	376,089	1,851,665
\$40,000 under \$50,000	318,940	2,352,029	370,944	2,296,871	51,824	753,740	54,905	447,268	269,076	2,699,076	353,216	2,382,698
\$50,000 under \$75,000	467,103	5,493,655	624,718	4,453,722	84,278	1,405,668	67,640	609,299	380,817	5,659,155	559,290	3,916,768
\$75,000 under \$100,000	269,411	4,672,664	319,147	4,263,331	57,660	1,281,356	45,255	509,094	202,614	4,883,780	280,909	3,755,441
\$100,000 under \$200,000	352,871	9,587,360	411,509	8,214,888	65,289	2,372,898	52,295	1,087,613	257,885	9,625,112	333,725	7,044,025
\$200,000 under \$500,000	136,680	6,944,199	167,143	7,143,389	31,889	2,783,718	27,017	909,308	81,889	7,216,842	126,765	5,575,902
\$500,000 under \$1,000,000	31,981	3,230,181	35,583	2,915,940	17,746	2,199,592	7,985	533,873	24,624	4,020,017	18,687	2,072,738
\$1,000,000 or more	22,702	5,083,080	24,965	5,906,280	7,772	7,127,747	6,428	1,172,095	10,193	9,096,118	18,691	3,971,004
<b>Nontaxable returns, total</b>	<b>317,565</b>	<b>4,456,095</b>	<b>403,123</b>	<b>18,052,270</b>	<b>76,321</b>	<b>1,223,081</b>	<b>140,973</b>	<b>6,083,830</b>	<b>274,954</b>	<b>2,408,393</b>	<b>451,434</b>	<b>20,981,842</b>

Footnote(s) at end of table

**Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Estate or trust										Farm			
	Total income			Total loss			Net income			Net loss			Net income	
	Number of returns (86)	Amount (87)	Number of returns (88)	Amount (89)	Number of returns (90)	Amount (91)	Number of returns (92)	Amount (93)	Number of returns (94)	Amount (95)	Number of returns (96)	Amount (97)	Number of returns (98)	Amount (99)
<b>All returns, total</b>	<b>1,123,775</b>	<b>7,879,262</b>	<b>123,417</b>	<b>872,622</b>	<b>1,109,895</b>	<b>7,693,773</b>	<b>82,993</b>	<b>687,132</b>	<b>819,679</b>	<b>8,786,579</b>	<b>1,704,652</b>	<b>16,070,810</b>		
No adjusted gross income	15,892	282,040	5,398	248,033	12,269	213,219	4,726	179,212	44,982	573,365	227,006	5,122,771		
\$1 under \$5,000	130,565	319,489	4,883	15,700	130,451	318,603	*4,883	*15,114	95,989	479,930	140,191	946,529		
\$5,000 under \$10,000	73,952	273,157	*2,656	*40,139	72,132	270,127	*2,656	*37,109	90,991	483,033	205,091	1,208,509		
\$10,000 under \$15,000	102,495	445,067	2,342	*10,236	102,495	444,420	*2,285	*9,590	9,591	324,409	140,844	928,772		
\$15,000 under \$20,000	80,501	402,438	*3	*27	80,501	402,438	*3	*27	116,998	907,461	182,178	1,135,010		
\$20,000 under \$25,000	61,894	233,129	*8,747	*64,525	61,894	233,129	*8,747	*64,525	63,987	453,404	161,978	801,571		
\$25,000 under \$30,000	87,788	480,350	*11,219	*8,317	87,788	479,733	*9,399	*7,700	86,689	1,089,923	139,145	962,646		
\$30,000 under \$40,000	103,641	504,747	14,021	45,212	103,641	503,520	*10,658	*43,984	110,794	1,442,806	191,149	1,257,659		
\$40,000 under \$50,000	92,311	548,520	9,519	38,552	90,639	529,641	7,789	19,672	46,524	758,018	114,461	591,354		
\$50,000 under \$75,000	143,776	853,791	16,087	39,286	141,434	843,146	12,080	28,641	52,368	1,048,410	105,201	811,243		
\$75,000 under \$100,000	80,362	619,192	13,726	36,641	80,070	611,327	4,768	28,776	17,369	428,077	39,846	417,742		
\$100,000 under \$200,000	91,120	1,157,514	19,155	111,463	87,823	1,124,141	9,317	78,091	12,208	436,096	31,819	675,024		
\$200,000 under \$500,000	41,663	679,016	13,539	113,516	41,264	654,475	4,095	88,976	4,278	261,772	13,004	597,589		
\$500,000 under \$1,000,000	13,928	388,168	1,234	42,728	13,729	378,698	923	33,257	700	44,743	10,861	292,458		
\$1,000,000 or more	3,887	692,644	888	58,246	3,765	696,856	664	52,458	380	55,130	1,878	320,935		
<b>Taxable returns, total</b>	<b>1,010,999</b>	<b>7,103,410</b>	<b>109,755</b>	<b>597,337</b>	<b>1,002,566</b>	<b>6,988,680</b>	<b>70,209</b>	<b>482,607</b>	<b>569,257</b>	<b>6,528,826</b>	<b>1,171,485</b>	<b>8,892,033</b>		
No adjusted gross income	1,452	27,849	332	21,804	1,396	25,591	240	19,546	473	6,153	3,266	301,796		
\$1 under \$5,000	95,415	183,715	*58	*397	95,358	183,590	*58	*272	*6,885	*32,249	*7,166	*105,194		
\$5,000 under \$10,000	*42,909	*180,545	*836	*36,292	*42,909	*160,545	*836	*36,292	*44,653	*132,266	84,744	454,237		
\$10,000 under \$15,000	85,404	333,329	*10,197	*66,803	85,404	323,329	*10,197	*66,803	98,584	672,772	108,746	646,088		
\$15,000 under \$20,000	74,637	389,023	**	**	74,637	389,023	**	**	57,101	426,398	156,505	661,634		
\$20,000 under \$25,000	61,891	233,043	**	**	61,891	233,043	**	**	81,338	901,897	127,248	892,120		
\$25,000 under \$30,000	81,056	381,709	*11,211	*7,867	81,056	381,032	*9,391	*7,250	100,645	1,276,137	189,799	1,213,544		
\$30,000 under \$40,000	103,439	501,818	*13,560	*33,244	103,439	500,591	*10,197	*32,017	45,302	707,795	114,193	589,960		
\$40,000 under \$50,000	92,109	528,903	9,468	38,420	90,437	510,024	7,738	19,541	51,155	1,046,712	105,025	790,583		
\$50,000 under \$75,000	142,664	852,496	16,087	39,286	140,322	841,851	12,080	28,641	17,369	436,096	39,671	408,404		
\$75,000 under \$100,000	79,739	613,795	13,456	30,515	79,447	605,920	4,498	22,650	12,208	428,077	31,586	656,903		
\$100,000 under \$200,000	90,877	1,156,553	18,907	111,197	87,580	1,123,225	9,309	77,869	88,466	1,208,400	12,956	582,222		
\$200,000 under \$500,000	41,610	676,740	13,531	113,005	41,212	652,201	918	88,466	31,281	361,480	10,849	289,332		
\$500,000 under \$1,000,000	13,916	386,652	1,228	40,738	13,718	377,194	660	51,980	**	**	1,871	318,534		
\$1,000,000 or more	3,881	687,239	884	57,769	3,760	681,450	660	51,980	**	**	**	**		
<b>Non-taxable returns, total</b>	<b>112,776</b>	<b>775,852</b>	<b>13,662</b>	<b>275,285</b>	<b>107,329</b>	<b>705,093</b>	<b>12,784</b>	<b>204,526</b>	<b>250,422</b>	<b>2,257,753</b>	<b>533,167</b>	<b>7,178,777</b>		

Footnote(s) at end of table.



Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation				Social Security benefits				Other income			
	Total		In adjusted gross income		Total		Benefits in AGI		Net income		Net loss	
	Number of returns (98)	Amount (99)	Number of returns (100)	Amount (101)	Number of returns (102)	Amount (103)	Number of returns (104)	Amount (105)	Number of returns (106)	Amount (107)	Number of returns (108)	Amount (109)
All returns, total	8,242,788	14,135,053	5,106,015	6,975,196	9,167,288	70,864,596	3,174,904	10,648,112	5,194,946	12,987,297	722,311	35,548,038
No adjusted gross income	48,582	103,342	—	—	123,369	820,011	**286	**1,507	48,856	346,526	268,483	27,155,945
\$1 under \$5,000	866,626	1,914,092	—	—	837,519	5,414,293	**	**	342,310	459,829	91,427	1,625,383
\$5,000 under \$10,000	1,378,148	2,512,947	73,178	48,336	1,881,428	13,278,566	9,535	*14,275	577,771	954,592	67,213	1,594,014
\$10,000 under \$15,000	1,221,428	2,068,621	464,709	366,550	1,418,253	10,753,480	*5,015	*10,132	431,635	477,761	29,502	382,921
\$15,000 under \$20,000	997,526	1,657,379	841,014	920,567	1,014,827	7,872,157	*17,316	*42,407	529,359	895,871	39,362	315,655
\$20,000 under \$25,000	923,929	1,551,250	920,565	1,339,572	703,824	5,601,538	140,273	138,411	569,756	968,468	20,849	398,745
\$25,000 under \$30,000	763,733	1,215,515	763,733	1,195,899	567,695	4,970,382	422,000	635,380	314,076	407,397	34,579	602,448
\$30,000 under \$40,000	1,089,731	1,684,684	1,089,731	1,677,058	956,373	7,283,706	934,978	2,494,534	699,625	1,054,167	31,579	402,879
\$40,000 under \$50,000	575,586	866,862	575,586	866,858	666,195	5,186,684	648,540	2,471,880	596,525	1,423,542	39,589	454,212
\$50,000 under \$75,000	329,825	474,421	329,825	474,418	578,379	5,083,310	577,544	2,537,058	619,513	1,706,924	45,649	738,537
\$75,000 under \$100,000	33,051	52,817	33,051	52,816	191,748	1,949,254	191,748	974,717	212,542	1,153,556	22,655	458,042
\$100,000 under \$200,000	12,387	27,418	12,387	27,418	166,794	1,921,771	166,794	962,910	173,570	1,335,649	19,721	363,904
\$200,000 under \$500,000	2,042	5,300	2,042	5,300	48,178	569,011	48,178	284,689	54,826	913,981	9,048	594,781
\$500,000 under \$1,000,000	138	290	138	290	8,022	97,583	8,020	48,780	10,225	354,754	1,424	140,378
\$1,000,000 or more	56	116	56	116	4,684	62,848	4,677	31,430	14,357	534,278	1,231	320,193
Taxable returns, total	6,772,211	11,002,301	5,072,251	6,942,134	7,496,480	58,897,128	3,143,845	10,553,791	4,563,125	11,660,619	302,533	6,295,682
No adjusted gross income	*6	*24	—	—	2,491	23,207	*251	*1,279	1,734	39,031	6,064	1,238,868
\$1 under \$5,000	177,546	385,396	—	—	80,420	419,706	—	—	88,416	147,930	7,627	152,273
\$5,000 under \$10,000	734,496	1,181,738	60,167	33,885	1,224,978	8,165,920	—	—	360,481	610,586	*17,902	*288,209
\$10,000 under \$15,000	1,152,085	1,923,449	449,572	356,884	1,324,064	10,006,920	*4,768	*9,312	372,409	424,895	20,106	143,170
\$15,000 under \$20,000	983,216	1,641,969	841,014	920,567	993,821	7,737,434	*17,259	*42,129	506,689	849,956	32,340	240,367
\$20,000 under \$25,000	920,974	1,550,118	917,610	1,338,440	703,209	5,591,532	139,659	138,373	557,009	959,401	18,915	383,305
\$25,000 under \$30,000	761,913	1,212,559	761,913	1,192,943	559,967	4,916,852	414,272	613,589	304,422	332,454	32,508	542,983
\$30,000 under \$40,000	1,089,731	1,684,684	1,089,731	1,677,058	948,180	7,226,486	926,785	2,468,341	695,337	1,023,676	30,500	333,920
\$40,000 under \$50,000	574,750	862,014	574,750	862,011	666,144	5,185,558	648,489	2,471,317	595,272	1,394,444	37,495	410,099
\$50,000 under \$75,000	329,825	474,421	329,825	474,418	575,602	5,050,445	574,767	2,520,625	617,280	1,674,195	45,543	731,929
\$75,000 under \$100,000	33,051	52,817	33,051	52,816	191,033	1,932,710	191,033	966,445	211,686	1,101,886	22,343	447,502
\$100,000 under \$200,000	12,387	27,418	12,387	27,418	165,754	1,911,654	165,754	967,852	173,127	1,315,914	19,625	352,429
\$200,000 under \$500,000	**2,175	**5,578	**2,175	**5,578	48,126	568,412	48,126	284,389	54,716	904,266	8,931	579,561
\$500,000 under \$1,000,000	**	**	**	**	8,015	97,538	8,013	46,757	10,204	351,135	1,407	131,640
\$1,000,000 or more	56	116	56	116	4,676	62,755	4,669	31,383	14,343	530,851	1,227	319,428
Nontaxable returns, total	1,470,577	3,132,752	33,764	33,063	1,670,808	11,967,467	31,059	94,321	631,821	1,326,678	419,778	29,252,356

Footnote(s) at end of table.

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Footnote(s) at end of table.

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Statutory adjustments—Continued					Excess itemized deductions			Unused zero bracket amount	
	Alimony paid		Deduction for working married couple		Foreign housing deduction		Other adjustments		Amount	Number of returns
	Number of returns (122)	Amount (123)	Number of returns (124)	Amount (125)	Number of returns (126)	Amount (127)	Number of returns (128)	Amount (129)		
<b>All returns, total</b>	<b>593,144</b>	<b>3,893,788</b>	<b>25,647,221</b>	<b>26,672,241</b>	<b>*841</b>	<b>*243</b>	<b>45,721</b>	<b>108,441</b>	<b>313,333,998</b>	<b>813,754</b>
No adjusted gross income	5,785	85,786	42,571	27,470	—	—	*75	*21,295	—	—
\$1 under \$5,000	*16,185	*75,362	186,305	30,064	—	—	—	—	1,881,213	624,081
\$5,000 under \$10,000	*23,272	*72,786	740,586	156,770	—	—	—	1,553,876	5,047,094	115,566
\$10,000 under \$15,000	22,703	68,543	1,448,421	463,351	—	—	*1,820	*4,028	8,096,933	53,783
\$15,000 under \$20,000	27,006	98,982	1,929,272	891,369	—	—	*4,768	*3,366	10,577,306	*12,490
\$20,000 under \$25,000	85,644	270,897	2,560,110	1,615,550	—	—	*4,767	*2,145	14,631,254	—
\$25,000 under \$30,000	30,231	147,717	2,883,422	2,244,281	—	—	*3,566	*1,716	18,932,890	—
\$30,000 under \$40,000	105,423	514,003	5,561,952	3,532,041	—	—	*8,990	*24,525	48,683,371	*6,728
\$40,000 under \$50,000	58,469	281,483	4,642,393	6,067,071	—	—	*13,618	*9,856	6,528,999	—
\$50,000 under \$75,000	95,118	673,184	4,194,473	7,122,982	*835	*175	6,662	19,984	64,283,135	—
\$75,000 under \$100,000	49,629	506,731	828,285	1,488,257	—	—	*203	*2,679	26,345,892	—
\$100,000 under \$200,000	49,375	621,799	497,137	827,594	*3	*25	*935	*15,600	30,402,930	*924
\$200,000 under \$500,000	19,957	315,433	94,437	139,227	—	—	266	1,705	17,690,439	*158
\$500,000 under \$1,000,000	2,635	84,204	21,243	36,066	*3	*44	32	1,400	6,238,615	*17
\$1,000,000 or more	1,712	76,878	6,614	10,146	—	—	19	142	15,531,745	*9
<b>Taxable returns, total</b>	<b>570,438</b>	<b>3,687,483</b>	<b>24,578,647</b>	<b>26,346,539</b>	<b>*841</b>	<b>*243</b>	<b>45,392</b>	<b>86,909</b>	<b>295,805,944</b>	<b>788,576</b>
No adjusted gross income	305	10,475	1,543	1,977	—	—	—	—	—	—
\$1 under \$5,000	*4,771	*11,490	*3,365	*5,178	—	—	—	—	34,896	606,823
\$5,000 under \$10,000	*23,221	*72,057	212,674	47,593	—	—	—	—	966,630	115,566
\$10,000 under \$15,000	*20,878	*59,411	1,273,909	400,368	—	—	*1,820	*4,028	4,309,522	45,863
\$15,000 under \$20,000	*26,948	*97,242	1,861,207	849,155	—	—	*4,768	*3,366	8,556,936	*12,490
\$20,000 under \$25,000	84,135	249,908	2,533,184	1,593,821	—	—	*4,767	*2,145	13,550,516	—
\$25,000 under \$30,000	29,001	142,317	2,875,233	2,229,882	—	—	*3,364	*1,490	17,913,624	—
\$30,000 under \$40,000	105,347	512,466	5,545,184	5,538,782	—	—	*8,990	*24,525	45,489,719	*6,728
\$40,000 under \$50,000	57,607	262,367	4,636,332	6,061,624	—	—	*21,366	*48,107	46,590,353	—
\$50,000 under \$75,000	95,032	668,295	4,188,884	7,117,481	*835	*175	—	—	63,237,361	—
\$75,000 under \$100,000	49,577	505,279	827,924	1,488,088	—	—	—	—	26,018,944	—
\$100,000 under \$200,000	49,356	621,038	496,998	827,286	*3	*25	—	—	30,036,192	*924
\$200,000 under \$500,000	19,923	314,347	94,370	139,120	—	—	266	1,705	17,537,655	*158
\$500,000 under \$1,000,000	2,629	84,130	21,234	36,052	*3	*44	32	1,400	6,164,128	*17
\$1,000,000 or more	1,708	76,742	6,606	10,132	—	—	19	142	15,399,468	*9
<b>Non-taxable returns, total</b>	<b>22,706</b>	<b>206,305</b>	<b>1,068,574</b>	<b>325,702</b>	<b>—</b>	<b>—</b>	<b>*329</b>	<b>*21,532</b>	<b>17,528,054</b>	<b>*25,178</b>
<b>All returns, total</b>										<b>1,645,256</b>
No adjusted gross income										—
\$1 under \$5,000										1,349,958
\$5,000 under \$10,000										167,007
\$10,000 under \$15,000										92,723
\$15,000 under \$20,000										*24,616
\$20,000 under \$25,000										—
\$25,000 under \$30,000										—
\$30,000 under \$40,000										*8,992
\$40,000 under \$50,000										—
\$50,000 under \$75,000										—
\$75,000 under \$100,000										—
\$100,000 under \$200,000										*1,657
\$200,000 under \$500,000										*272
\$500,000 under \$1,000,000										*22
\$1,000,000 or more										*9
<b>Taxable returns, total</b>										<b>1,597,083</b>
No adjusted gross income										—
\$1 under \$5,000										1,311,758
\$5,000 under \$10,000										167,007
\$10,000 under \$15,000										82,759
\$15,000 under \$20,000										*24,616
\$20,000 under \$25,000										—
\$25,000 under \$30,000										—
\$30,000 under \$40,000										*8,992
\$40,000 under \$50,000										—
\$50,000 under \$75,000										—
\$75,000 under \$100,000										—
\$100,000 under \$200,000										*6,728
\$200,000 under \$500,000										—
\$500,000 under \$1,000,000										—
\$1,000,000 or more										—
<b>Non-taxable returns, total</b>										<b>*48,163</b>

Footnote(s) at end of table



**Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Contributions deduction for nonitemizers		Exemptions		Taxable income		Income tax before credits		Tax credits			
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Total		Total personal credits	
									Number of returns	Amount	Number of returns	Amount
All returns, total	28,041,097	13,277,865	245,752,978	285,152,112	97,358,296	1,947,024,584	86,600,724	367,591,995	16,859,281	7,020,731	15,674,042	4,101,314
No adjusted gross income	—	—	2,329,711	2,504,103	—	—	705	6,259	436	734	300	31
\$1 under \$5,000	2,598,821	446,951	23,635,537	25,485,996	11,962,121	22,454,798	3,835,507	388,299	113,700	3,589	95,094	2,761
\$5,000 under \$10,000	5,980,513	2,016,018	31,175,745	33,617,553	15,505,727	80,175,587	13,260,991	5,034,748	2,870,865	547,657	2,777,934	512,281
\$10,000 under \$15,000	6,141,485	2,562,706	30,220,131	32,604,023	13,550,911	128,124,161	13,284,608	12,044,743	2,282,272	626,136	2,125,949	569,827
\$15,000 under \$20,000	4,827,398	2,498,880	26,505,543	28,604,542	11,232,981	155,416,673	11,159,671	17,856,029	1,405,981	547,558	1,322,846	458,285
\$20,000 under \$25,000	3,327,911	1,834,650	23,168,666	24,999,109	9,194,660	165,356,554	9,176,055	21,408,374	1,528,540	549,629	1,434,192	462,112
\$25,000 under \$30,000	2,052,142	1,224,563	20,880,582	22,528,086	7,541,866	165,356,830	7,525,126	23,362,608	1,564,429	548,911	1,426,540	423,355
\$30,000 under \$40,000	2,043,214	1,447,322	33,775,019	36,457,371	11,474,320	313,916,976	11,468,842	49,274,924	2,443,392	829,635	2,275,178	594,826
\$40,000 under \$50,000	718,065	667,533	23,459,836	25,320,185	7,451,366	259,365,436	7,450,192	46,071,469	1,743,411	594,954	1,640,278	466,232
\$50,000 under \$75,000	290,677	407,799	20,675,613	22,317,732	6,417,415	295,296,881	6,413,661	62,632,403	1,726,378	736,349	1,597,949	436,033
\$75,000 under \$100,000	42,759	109,435	5,019,140	5,416,999	1,542,724	100,211,601	1,542,106	26,109,593	514,025	448,385	447,031	93,669
\$100,000 under \$200,000	15,200	28,088	3,679,383	3,970,810	1,111,622	112,757,958	1,110,773	36,438,503	457,738	449,924	389,851	63,565
\$200,000 under \$500,000	2,398	25,457	954,220	1,029,985	289,557	64,277,685	289,484	26,463,348	158,704	485,857	108,591	14,624
\$500,000 under \$1,000,000	440	5,463	164,562	177,643	51,267	27,327,574	51,273	12,632,950	32,797	176,366	19,509	2,350
\$1,000,000 or more	74	2,999	109,290	117,994	31,729	56,985,871	31,730	27,867,745	16,613	475,048	12,800	1,363
Taxable returns, total	24,552,601	12,008,612	203,805,919	219,933,042	83,917,711	1,916,198,235	83,929,106	366,637,278	14,187,663	6,066,014	13,244,082	3,544,490
No adjusted gross income	—	—	36,452	39,285	—	—	512	5,946	243	421	—	—
\$1 under \$5,000	805,876	121,993	3,879,836	4,185,059	3,739,445	12,119,257	3,747,394	385,450	25,587	740	17,895	705
\$5,000 under \$10,000	4,580,837	1,302,444	16,220,815	17,493,256	11,298,953	66,639,170	11,300,833	4,659,841	910,707	172,750	864,172	153,952
\$10,000 under \$15,000	5,923,322	2,382,922	26,990,380	29,120,842	12,869,710	124,696,281	12,869,659	11,956,091	1,867,323	437,484	1,755,965	413,421
\$15,000 under \$20,000	4,778,534	2,464,462	25,613,426	27,643,151	11,063,648	154,210,655	11,063,590	17,764,399	1,309,900	455,927	1,275,086	427,638
\$20,000 under \$25,000	3,316,258	1,833,410	22,850,789	24,657,542	9,137,117	164,740,813	9,137,119	21,348,652	1,489,604	489,906	1,433,577	462,050
\$25,000 under \$30,000	2,042,043	1,217,861	20,701,899	22,335,411	7,495,360	164,801,486	7,498,484	23,303,879	1,537,787	490,182	1,423,884	420,720
\$30,000 under \$40,000	2,039,181	1,440,214	33,569,282	36,235,264	11,431,536	313,125,763	11,431,031	49,186,230	2,405,581	740,941	2,260,347	588,280
\$40,000 under \$50,000	715,032	666,109	23,412,007	25,268,512	7,446,018	259,229,563	7,446,249	46,053,497	1,739,468	576,982	1,639,665	466,216
\$50,000 under \$75,000	290,677	407,799	20,628,404	22,266,894	6,410,742	295,224,191	6,409,897	62,624,288	1,722,614	728,234	1,596,218	435,977
\$75,000 under \$100,000	42,759	109,435	5,007,454	5,404,592	1,541,699	100,195,905	1,541,694	26,106,443	513,613	445,235	446,821	93,648
\$100,000 under \$200,000	15,200	28,088	3,669,389	3,960,069	1,111,183	112,749,282	1,110,387	36,437,679	457,352	449,099	389,590	63,551
\$200,000 under \$500,000	2,808	30,875	952,402	1,028,029	289,356	64,236,953	289,303	26,446,172	158,523	468,680	108,556	14,619
\$500,000 under \$1,000,000	440	5,463	164,284	177,344	51,238	27,310,614	51,245	12,624,967	32,769	168,383	32,306	3,713
\$1,000,000 or more	74	2,999	109,100	117,792	31,706	56,918,303	31,709	27,833,745	16,592	441,049	12,800	1,363
Nontaxable returns, total	3,488,496	1,269,253	41,947,059	45,219,070	13,440,585	30,826,349	2,671,618	954,717	2,671,618	954,717	2,429,980	556,824

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total personal credits—Continued										Foreign tax credit	
	Child care credit		Credit for the elderly and disabled		Political contributions credit		Mortgage interest credit		Earned income credit used to offset income tax before credits		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
<b>All returns, total</b>	<b>8,949,817</b>	<b>3,397,090</b>	<b>430,469</b>	<b>85,763</b>	<b>4,604,648</b>	<b>241,671</b>	<b>4,849</b>	<b>1,790</b>	<b>2,507,495</b>	<b>327,600</b>	<b>423,738</b>	<b>773,939</b>
No adjusted gross income	58	26	—	—	242	5	—	—	—	—	—	—
\$1 under \$5,000	9,535	324	14,302	605	27,203	958	—	—	44,054	873	7,920	40
\$5,000 under \$10,000	723,825	169,725	256,245	41,603	222,272	9,340	—	—	1,851,444	291,456	7,920	5,639
\$10,000 under \$15,000	1,134,163	473,234	116,709	36,434	403,831	15,860	—	—	611,997	35,271	47,520	13,622
\$15,000 under \$20,000	1,003,582	429,419	43,213	7,120	303,937	14,075	4,767	1,759	—	—	15,840	9,575
\$20,000 under \$25,000	1,057,646	442,941	—	—	403,388	15,725	—	—	—	—	7,921	63
\$25,000 under \$30,000	1,110,428	395,284	—	—	353,674	18,339	—	—	—	—	35,154	13,047
\$30,000 under \$40,000	1,601,757	551,244	—	—	747,528	37,015	—	—	—	—	55,438	28,647
\$40,000 under \$50,000	1,127,572	431,440	—	—	586,330	32,419	—	—	—	—	66,834	11,146
\$50,000 under \$75,000	914,881	384,203	—	—	779,447	44,704	—	—	—	—	50,994	113,948
\$75,000 under \$100,000	171,557	73,142	—	—	316,229	19,848	—	—	—	—	39,599	205,223
\$100,000 under \$200,000	82,214	39,522	—	—	328,749	22,959	11	13	—	—	51,011	109,590
\$200,000 under \$500,000	11,031	5,720	—	—	100,568	7,819	62	8	—	—	27,662	144,778
\$500,000 under \$1,000,000	1,181	642	—	—	18,682	1,531	4	9	—	—	8,120	13,346
\$1,000,000 or more	387	223	—	—	12,566	1,074	5	1	—	—	1,803	105,273
<b>Taxable returns, total</b>	<b>7,992,367</b>	<b>3,081,527</b>	<b>236,201</b>	<b>46,030</b>	<b>4,529,927</b>	<b>236,573</b>	<b>4,849</b>	<b>1,790</b>	<b>1,103,816</b>	<b>143,357</b>	<b>407,672</b>	<b>680,480</b>
No adjusted gross income	—	—	—	—	228	4	—	—	—	—	—	—
\$1 under \$5,000	—	—	—	—	17,667	701	—	—	—	—	7,920	40
\$5,000 under \$10,000	125,104	25,036	101,261	12,407	176,408	7,285	—	—	540,636	109,224	7,920	5,639
\$10,000 under \$15,000	842,383	334,928	91,727	26,503	389,224	15,468	—	—	563,180	34,133	63,360	14,176
\$15,000 under \$20,000	2,018,300	846,484	43,213	7,120	303,880	14,071	4,767	1,759	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	402,774	15,663	—	—	—	—	—	—
\$25,000 under \$30,000	1,109,592	395,270	—	—	353,674	18,339	—	—	—	—	35,154	13,047
\$30,000 under \$40,000	1,589,817	544,964	—	—	744,893	36,751	—	—	—	—	55,438	28,647
\$40,000 under \$50,000	1,126,959	431,424	—	—	586,330	32,419	—	—	—	—	66,834	11,146
\$50,000 under \$75,000	914,045	384,175	—	—	778,560	44,678	—	—	—	—	50,994	113,948
\$75,000 under \$100,000	171,557	73,142	—	—	316,019	19,827	—	—	—	—	39,599	205,223
\$100,000 under \$200,000	93,242	45,240	—	—	328,489	22,946	11	13	—	—	51,011	109,590
\$200,000 under \$500,000	—	—	—	—	100,536	7,815	62	8	—	—	27,662	144,778
\$500,000 under \$1,000,000	1,181	642	—	—	18,682	1,531	4	9	—	—	8,120	13,346
\$1,000,000 or more	387	223	—	—	12,566	1,074	5	1	—	—	1,803	105,273
<b>Nontaxable returns, total</b>	<b>957,450</b>	<b>315,563</b>	<b>194,268</b>	<b>39,733</b>	<b>74,719</b>	<b>3,099</b>	<b>4,849</b>	<b>1,790</b>	<b>1,403,679</b>	<b>184,243</b>	<b>16,064</b>	<b>93,458</b>

**Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax credits—Continued										
	General business credits						Other tax credits <sup>2</sup>				
	Investment credit <sup>1</sup>		Jobs credit		Alcohol fuel credit		Low-income housing credit		Number of returns		Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	
	(159)	(159)	(162)	(163)	(164)	(165)	(166)	(167)	(168)	(169)	
<b>All returns, total</b>	<b>679,820</b>	<b>1,115,936</b>	<b>21,062</b>	<b>43,241</b>	<b>281</b>	<b>119</b>	<b>26,561</b>	<b>110,946</b>	<b>462,771</b>	<b>1,029,842</b>	
No adjusted gross income	32	193	475	4,335	—	—	**2,022	**17,282	143	509	
\$1 under \$5,000	*5,919	25,127	—	—	—	—	—	—	*4,767	*43	
\$5,000 under \$10,000	49,912	64,844	—	—	—	—	*2,955	*1,129	53,499	14,281	
\$10,000 under \$15,000	43,648	6,542	*7,925	*2,095	10,005	—	*1,820	*20,431	72,878	36,145	
\$15,000 under \$20,000	33,967	16,363	—	—	—	—	*613	*248	57,527	63,334	
\$20,000 under \$25,000	60,047	25,635	*205	*228	—	—	*7,724	*7,760	38,572	61,819	
\$25,000 under \$30,000	54,826	10,486	—	—	—	—	*57	*304	59,139	102,022	
\$30,000 under \$40,000	92,945	65,593	*203	*46	—	—	*6,251	*9,818	66,892	140,569	
\$40,000 under \$50,000	55,645	39,537	*905	*4,727	—	—	—	—	26,436	78,039	
\$50,000 under \$75,000	90,640	94,109	4,002	7,243	—	—	*3,206	*15,825	31,144	92,259	
\$75,000 under \$100,000	56,353	78,241	1,848	2,901	*240	*54	*610	*7,600	16,887	71,253	
\$100,000 under \$200,000	78,576	186,258	2,252	4,734	*9	*9	653	12,394	17,922	90,510	
\$200,000 under \$500,000	39,948	211,428	1,745	5,707	*3	( )	482	5,220	11,717	115,026	
\$500,000 under \$1,000,000	9,597	108,576	634	2,612	*18	*7	78	5,146	3,008	52,094	
\$1,000,000 or more	7,765	256,673	868	8,613	*11	*48	90	7,790	2,240	111,738	
<b>Taxable returns, total</b>	<b>603,854</b>	<b>1,058,289</b>	<b>12,531</b>	<b>36,138</b>	<b>281</b>	<b>119</b>	<b>10,338</b>	<b>80,859</b>	<b>284,013</b>	<b>784,855</b>	
No adjusted gross income	*19	*141	91	133	—	—	*7	*1,212	*15	*276	
\$1 under \$5,000	—	—	—	—	—	—	—	—	—	—	
\$5,000 under \$10,000	*26,123	*8,273	—	—	—	—	—	—	*20,214	*4,886	
\$10,000 under \$15,000	35,658	2,926	—	—	—	—	—	—	*40,868	*16,600	
\$15,000 under \$20,000	24,545	7,661	—	—	—	—	—	—	*16,751	*11,053	
\$20,000 under \$25,000	45,149	12,569	*202	*213	—	—	—	—	*14,535	*15,224	
\$25,000 under \$30,000	54,585	10,471	—	—	—	—	*57	*304	35,394	45,943	
\$30,000 under \$40,000	82,756	47,921	*203	*46	—	—	*6,199	*9,746	51,005	101,311	
\$40,000 under \$50,000	55,348	39,477	*905	*4,727	—	—	—	—	22,790	60,143	
\$50,000 under \$75,000	87,925	86,288	3,800	6,521	—	—	*2,979	*19,538	30,931	92,020	
\$75,000 under \$100,000	56,143	78,150	1,848	2,901	*240	*54	—	—	16,685	68,215	
\$100,000 under \$200,000	78,301	185,873	2,244	4,734	*9	*9	451	12,213	*29,577	*205,153	
\$200,000 under \$500,000	39,940	211,369	1,740	5,691	*3	( )	*555	*10,056	3,008	52,094	
\$500,000 under \$1,000,000	9,597	108,576	630	2,557	*18	*7	—	—	2,240	111,738	
\$1,000,000 or more	7,765	256,673	868	8,613	*11	*48	90	7,790	—	—	
<b>Non-taxable returns, total</b>	<b>75,966</b>	<b>59,447</b>	<b>8,531</b>	<b>7,105</b>	<b>—</b>	<b>—</b>	<b>18,223</b>	<b>50,088</b>	<b>178,758</b>	<b>244,987</b>	

Footnote(s) at end of table.



Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax after personal credits		Income tax after credits		Alternative minimum tax preferences (Form 6251)		Alternative minimum tax preferences for returns with alternative minimum tax		Alternative minimum tax		Total income tax	
	Number of returns (170)	Amount (171)	Number of returns (172)	Amount (173)	Number of returns (174)	Amount (175)	Number of returns (176)	Amount (177)	Number of returns (178)	Amount (178)	Number of returns (180)	Amount (181)
<b>All returns, total</b>	<b>84,182,342</b>	<b>363,490,881</b>	<b>83,898,079</b>	<b>360,571,264</b>	<b>3,509,974</b>	<b>153,836,542</b>	<b>584,755</b>	<b>93,199,228</b>	<b>608,907</b>	<b>8,713,149</b>	<b>83,967,413</b>	<b>387,287,213</b>
No adjusted gross income	636	6,228	489	5,525	66,880	7,065,532	14,532	3,339,915	14,775	302,408	15,388	308,483
\$1 under \$5,000	3,758,080	385,537	3,747,394	384,710	97,896	486,398	1,573	132,560	12,767	12,767	3,748,910	397,477
\$5,000 under \$10,000	11,354,952	4,522,467	11,300,833	4,487,091	91,550	399,945	2,053	130,478	2,053	14,739	11,302,273	4,501,830
\$10,000 under \$15,000	12,917,579	11,474,916	12,869,046	11,418,607	85,228	500,266	7,900	326,632	7,900	19,924	12,871,560	11,438,531
\$15,000 under \$20,000	11,113,788	17,397,744	11,063,590	17,308,472	122,391	600,129	3,558	256,120	3,566	32,186	11,064,250	17,340,658
\$20,000 under \$25,000	9,176,054	20,946,262	9,136,875	20,858,745	115,047	834,801	3,205	221,589	3,818	24,043	9,139,455	20,882,788
\$25,000 under \$30,000	7,522,470	22,939,253	7,497,653	22,813,698	166,933	1,011,706	8,766	363,341	8,766	37,264	7,499,447	22,850,962
\$30,000 under \$40,000	11,460,890	48,680,098	11,423,883	48,445,289	346,553	3,368,744	62,900	2,291,676	62,900	183,214	11,434,253	48,628,503
\$40,000 under \$50,000	7,450,192	45,605,237	7,444,139	45,476,514	489,484	4,370,997	68,396	2,772,508	80,645	267,710	7,446,963	45,744,224
\$50,000 under \$75,000	6,412,768	62,196,371	6,397,981	61,896,054	734,653	8,700,258	118,419	5,394,473	122,355	563,779	6,414,601	62,459,834
\$75,000 under \$100,000	1,541,846	26,015,924	1,536,195	25,661,208	425,275	8,628,694	98,263	5,710,901	101,868	619,757	1,543,446	26,280,965
\$100,000 under \$200,000	1,110,664	36,374,938	1,108,302	35,988,579	503,315	21,495,958	123,287	13,970,089	126,127	1,298,520	1,113,163	37,289,197
\$200,000 under \$500,000	289,423	26,448,724	288,796	25,977,492	193,500	23,179,518	46,346	13,595,264	46,874	1,089,229	290,429	27,066,736
\$500,000 under \$1,000,000	51,270	12,630,600	51,201	12,456,584	42,566	15,475,854	10,345	8,159,296	10,428	471,534	51,467	12,928,118
\$1,000,000 or more	31,730	27,866,382	31,702	27,392,697	28,703	57,787,740	15,212	36,534,387	15,259	1,776,075	31,808	29,168,908
<b>Taxable returns, total</b>	<b>83,328,667</b>	<b>363,092,788</b>	<b>83,898,079</b>	<b>360,571,264</b>	<b>3,257,280</b>	<b>149,243,931</b>	<b>584,755</b>	<b>93,199,228</b>	<b>608,907</b>	<b>6,713,149</b>	<b>83,967,413</b>	<b>367,287,213</b>
No adjusted gross income	504	5,942	489	5,525	14,871	3,351,986	14,532	3,339,915	14,775	302,408	15,388	308,483
\$1 under \$5,000	3,747,394	384,749	3,747,394	384,710	22,305	156,561	1,573	132,560	1,573	12,767	3,748,910	397,477
\$5,000 under \$10,000	11,300,833	4,505,889	11,300,833	4,487,091	41,771	247,393	2,053	130,478	2,053	14,739	11,302,273	4,501,830
\$10,000 under \$15,000	12,869,659	11,442,671	12,869,046	11,418,607	65,836	433,948	7,900	326,632	7,900	19,924	12,871,560	11,438,531
\$15,000 under \$20,000	11,063,590	17,336,761	11,063,590	17,308,472	104,324	537,284	3,558	256,120	3,566	32,186	11,064,250	17,340,658
\$20,000 under \$25,000	9,137,119	20,886,601	9,136,875	20,858,745	107,196	795,923	3,205	221,589	3,818	24,043	9,139,455	20,882,788
\$25,000 under \$30,000	7,498,484	22,883,159	7,497,653	22,813,698	153,907	964,800	8,766	363,341	8,766	37,264	7,499,447	22,850,962
\$30,000 under \$40,000	11,431,031	48,597,949	11,423,883	48,445,289	341,591	3,327,128	62,900	2,291,676	62,900	183,214	11,434,253	48,628,503
\$40,000 under \$50,000	7,446,249	45,587,281	7,444,139	45,476,514	486,154	4,346,960	68,396	2,772,508	80,645	267,710	7,446,963	45,744,224
\$50,000 under \$75,000	6,409,840	62,188,311	6,397,981	61,896,054	729,083	8,653,779	118,419	5,394,473	122,355	563,779	6,414,601	62,459,834
\$75,000 under \$100,000	1,541,434	26,012,795	1,536,195	25,661,208	423,677	8,587,199	98,263	5,710,901	101,868	619,757	1,543,446	26,280,965
\$100,000 under \$200,000	1,110,336	36,374,127	1,108,302	35,988,579	502,228	21,465,737	123,287	13,970,089	126,127	1,298,520	1,113,163	37,289,197
\$200,000 under \$500,000	289,243	26,431,553	288,796	25,977,492	193,167	23,161,642	46,346	13,595,264	46,874	1,089,229	290,429	27,066,736
\$500,000 under \$1,000,000	51,242	12,622,617	51,201	12,456,584	42,500	15,460,293	10,345	8,159,296	10,428	471,534	51,467	12,928,118
\$1,000,000 or more	31,709	27,832,393	31,702	27,392,697	28,670	57,753,300	15,212	36,534,387	15,259	1,776,075	31,808	29,168,908
<b>Nontaxable returns, total</b>	<b>263,675</b>	<b>397,893</b>	<b>—</b>	<b>—</b>	<b>252,694</b>	<b>4,692,611</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

Footnote(s) at end of table

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Taxpayments		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total	Number of returns	Amount
	(182)	(183)	(184)	(185)	(186)	(187)	(188)	(189)	(190)	(191)	(192)
<b>All returns, total</b>	<b>10,139,954</b>	<b>13,529,895</b>	<b>428,112</b>	<b>142,731</b>	<b>667,489</b>	<b>200,891</b>	<b>85,803,688</b>	<b>381,223,547</b>	<b>95,023,937</b>	<b>403,872,796</b>	<b>87,988,908</b>
No adjusted gross income	159,637	172,992	15,226	5,998	25,330	7,446	194,257	529,396	478,008	1,379,325	305,681
\$1 under \$5,000	912,396	316,249	*20,271	*2,134	244,861	74,873	4,505,941	645,566	12,327,586	2,823,105	11,911,534
\$5,000 under \$10,000	1,281,466	842,371	26,982	9,879	377,754	117,057	11,823,777	5,265,379	13,540,004	9,321,581	12,260,497
\$10,000 under \$15,000	1,056,875	894,140	*28,163	*6,977	*19,544	*1,516	13,045,078	12,346,534	12,952,161	16,818,230	11,839,681
\$15,000 under \$20,000	1,116,072	1,218,973	31,626	7,562	—	—	11,161,509	18,610,177	10,999,146	22,916,698	9,956,153
\$20,000 under \$25,000	1,036,066	1,285,566	*22,590	*6,441	—	—	9,184,284	22,184,482	9,028,267	26,694,545	8,369,444
\$25,000 under \$30,000	849,190	1,098,286	35,798	7,843	—	—	7,524,182	23,965,482	7,497,569	28,961,076	7,068,281
\$30,000 under \$40,000	1,348,367	1,960,376	77,744	20,652	—	—	11,458,931	50,648,116	11,397,796	59,401,042	10,820,308
\$40,000 under \$50,000	845,097	1,546,036	64,093	26,775	—	—	7,454,677	47,360,532	7,409,802	53,129,361	7,010,613
\$50,000 under \$75,000	876,538	2,083,757	76,864	31,416	—	—	6,417,850	64,609,471	6,381,999	68,777,306	5,930,662
\$75,000 under \$100,000	287,685	867,859	19,528	7,467	—	—	1,545,150	27,190,258	1,531,648	26,638,617	1,331,475
\$100,000 under \$200,000	285,585	950,374	8,163	8,413	—	—	1,114,129	38,301,973	1,108,324	33,949,709	910,808
\$200,000 under \$500,000	62,095	196,762	835	835	—	—	290,592	27,302,807	288,676	21,998,853	220,957
\$500,000 under \$1,000,000	17,514	80,881	114	76	—	—	51,501	13,032,909	51,214	10,785,389	34,096
\$1,000,000 or more	5,371	15,273	95	262	—	—	31,830	29,230,475	31,737	20,277,960	18,718
<b>Taxable returns, total</b>	<b>8,272,969</b>	<b>12,177,994</b>	<b>373,976</b>	<b>128,039</b>	<b>—</b>	<b>—</b>	<b>83,967,413</b>	<b>379,981,061</b>	<b>80,546,106</b>	<b>397,351,602</b>	<b>74,455,392</b>
No adjusted gross income	3,963	8,450	*64	*74	—	—	15,388	322,122	11,862	371,922	5,725
\$1 under \$5,000	132,426	57,752	—	—	—	—	3,748,910	457,642	2,887,361	1,091,459	2,753,060
\$5,000 under \$10,000	706,948	454,218	*21,361	*5,939	—	—	11,302,273	4,969,800	9,989,400	7,325,089	9,042,910
\$10,000 under \$15,000	892,196	741,201	*17,266	*5,161	—	—	12,871,560	12,191,499	12,305,258	16,135,668	11,254,247
\$15,000 under \$20,000	1,028,258	1,081,731	*29,749	*7,122	—	—	11,064,250	18,469,937	10,811,481	22,573,740	9,817,931
\$20,000 under \$25,000	991,551	1,192,256	*22,590	*6,441	—	—	9,139,455	22,091,093	8,961,068	26,504,692	8,320,090
\$25,000 under \$30,000	826,369	1,051,987	35,798	7,843	—	—	7,499,447	23,917,401	7,444,110	28,799,255	7,031,004
\$30,000 under \$40,000	1,324,277	1,884,863	77,542	20,412	—	—	11,434,253	50,571,693	11,360,023	59,236,802	10,791,902
\$40,000 under \$50,000	837,520	1,520,734	64,085	26,767	—	—	7,446,963	47,335,185	7,398,104	53,048,801	7,001,362
\$50,000 under \$75,000	873,672	2,079,859	**96,331	**38,799	—	—	6,414,601	64,605,187	6,371,322	68,688,384	5,922,646
\$75,000 under \$100,000	286,043	863,977	**	**	—	—	27,185,915	27,185,915	1,528,945	26,616,335	1,331,076
\$100,000 under \$200,000	284,903	948,498	8,155	8,403	—	—	1,113,163	38,298,250	1,106,029	33,918,864	909,990
\$200,000 under \$500,000	61,991	196,407	826	739	—	—	27,302,180	27,302,180	288,291	21,988,127	220,700
\$500,000 under \$1,000,000	17,492	80,817	114	76	—	—	13,032,770	13,032,770	51,147	10,781,545	34,057
\$1,000,000 or more	5,360	15,245	95	262	—	—	31,808	29,230,388	31,705	20,270,901	18,692
<b>Nontaxable returns, total</b>	<b>1,866,985</b>	<b>1,351,900</b>	<b>54,136</b>	<b>14,692</b>	<b>667,489</b>	<b>200,891</b>	<b>1,836,275</b>	<b>1,242,486</b>	<b>14,477,831</b>	<b>6,521,194</b>	<b>13,533,516</b>
<b>Total</b>	<b>10,000,000</b>	<b>14,939,894</b>	<b>482,248</b>	<b>157,431</b>	<b>1,334,978</b>	<b>401,782</b>	<b>87,640,000</b>	<b>382,466,033</b>	<b>109,501,768</b>	<b>404,193,890</b>	<b>101,522,424</b>

Footnote(s) at end of table.

Table 1.4—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued				Earned income credit, refundable portion			Advance earned income credit payments		
	Estimated tax payments		Windfall profit tax overpayment		All other taxpayments 3		Amount	Number of returns	Amount	Number of returns
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(194)	(195)	(196)	(197)	(198)	(199)	(200)	(201)	(202)	(203)
<b>All returns, total</b>	<b>11,824,815</b>	<b>69,891,346</b>	<b>58,471</b>	<b>14,253</b>	<b>2,723,730</b>	<b>18,878,352</b>	<b>4,648,129</b>	<b>1,478,559</b>	<b>1,266</b>	<b>2,400</b>
No adjusted gross income	104,885	485,579	1,747	1,859	153,089	243,519	20,827	6,031	5	47
\$1 under \$5,000	427,688	305,307	57	1	135,908	38,492	1,865,679	549,430	—	—
\$5,000 under \$10,000	1,411,924	1,059,262	15,447	161	190,578	54,925	2,623,057	914,622	—	—
\$10,000 under \$15,000	1,569,052	1,644,625	4,768	34	106,240	57,418	138,566	8,476	—	—
\$15,000 under \$20,000	1,552,235	2,597,297	9	( )	165,886	109,837	—	—	—	—
\$20,000 under \$25,000	1,266,204	2,651,860	1,023	147	154,278	152,605	—	—	—	—
\$25,000 under \$30,000	863,222	2,489,792	5,242	267	150,279	146,914	—	—	—	—
\$30,000 under \$40,000	1,294,688	5,168,466	2,023	107	196,023	234,321	—	—	—	—
\$40,000 under \$50,000	960,957	5,046,648	4,000	306	284,406	316,756	—	—	—	—
\$50,000 under \$75,000	1,176,289	9,501,762	9,394	2,032	577,007	848,218	—	—	836	54
\$75,000 under \$100,000	481,898	6,175,379	2,923	690	232,159	980,672	—	—	202	503
\$100,000 under \$200,000	490,041	10,118,849	7,401	4,775	257,046	249,390	—	—	202	1,759
\$200,000 under \$500,000	162,482	8,346,143	3,163	1,732	91,318	2,744,597	—	—	10	32
\$500,000 under \$1,000,000	37,228	5,734,791	771	558	17,266	1,940,404	—	—	8	4
\$1,000,000 or more	26,022	8,565,585	503	1,582	12,247	8,518,284	—	—	3	2
<b>Taxable returns, total</b>	<b>10,991,225</b>	<b>68,560,785</b>	<b>37,182</b>	<b>12,289</b>	<b>2,256,555</b>	<b>18,689,645</b>	<b>—</b>	<b>—</b>	<b>1,261</b>	<b>2,353</b>
No adjusted gross income	6,526	141,841	166	462	4,210	164,408	—	—	—	—
\$1 under \$5,000	160,666	95,237	57	1	26,940	14,611	—	—	—	—
\$5,000 under \$10,000	1,098,179	747,925	—	—	75,920	36,587	—	—	—	—
\$10,000 under \$15,000	1,509,054	1,554,464	4,768	34	79,480	43,421	—	—	—	—
\$15,000 under \$20,000	1,510,998	2,509,015	9	( )	140,131	104,189	—	—	—	—
\$20,000 under \$25,000	1,250,365	2,575,303	204	2	134,610	139,241	—	—	—	—
\$25,000 under \$30,000	849,120	2,435,929	1,878	28	139,337	144,400	—	—	—	—
\$30,000 under \$40,000	1,283,993	5,107,382	2,023	107	188,750	225,060	—	—	—	—
\$40,000 under \$50,000	956,698	5,018,514	3,943	286	281,821	306,972	—	—	—	—
\$50,000 under \$75,000	1,171,301	9,475,649	9,386	2,032	576,376	842,679	—	—	836	54
\$75,000 under \$100,000	479,641	6,159,418	2,923	690	231,969	979,378	—	—	202	503
\$100,000 under \$200,000	489,170	10,105,549	7,401	4,775	256,307	248,788	—	—	202	1,759
\$200,000 under \$500,000	162,320	8,340,967	3,163	1,732	91,218	2,743,167	—	—	10	32
\$500,000 under \$1,000,000	37,186	5,733,209	771	558	17,251	1,939,444	—	—	8	4
\$1,000,000 or more	26,008	8,560,383	503	1,582	12,235	8,518,199	—	—	3	2
<b>Nontaxable returns, total</b>	<b>833,590</b>	<b>1,330,561</b>	<b>21,289</b>	<b>1,964</b>	<b>467,175</b>	<b>188,707</b>	<b>4,648,129</b>	<b>1,478,559</b>	<b>5</b>	<b>47</b>

Footnote(s) at end of table



**Table 1.4.—All Returns: Sources of Income and Adjustments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Overpayment						Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Credited to 1987 estimated tax		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
							(204)	(205)	(206)	(207)
<b>All returns, total</b>	<b>78,104,770</b>	<b>77,628,666</b>	<b>75,439,727</b>	<b>69,522,051</b>	<b>4,144,260</b>	<b>8,106,615</b>	<b>21,459,867</b>	<b>53,819,242</b>	<b>2,339,278</b>	<b>315,984</b>
No adjusted gross income	421,458	1,070,119	388,194	934,452	43,562	135,667	123,311	215,794	12,107	1,587
\$1 under \$5,000	12,180,632	3,009,562	12,084,351	2,941,672	153,503	67,880	1,680,095	283,499	32,306	925
\$5,000 under \$10,000	12,304,906	5,927,911	11,977,876	5,736,791	510,273	191,120	2,895,712	984,744	189,419	7,657
\$10,000 under \$15,000	11,151,248	5,832,934	10,709,035	5,619,350	564,051	213,584	2,419,062	1,366,670	313,273	13,907
\$15,000 under \$20,000	8,939,875	6,073,133	8,596,056	5,773,587	501,980	299,546	2,321,772	1,785,731	281,483	19,119
\$20,000 under \$25,000	7,242,149	6,335,954	6,956,722	6,067,683	442,933	268,270	1,959,941	1,847,699	265,600	21,808
\$25,000 under \$30,000	5,998,977	6,797,332	5,778,775	6,443,696	334,633	353,637	1,556,160	1,814,551	149,976	12,813
\$30,000 under \$40,000	8,730,670	12,451,303	8,410,108	11,801,467	456,143	649,636	2,732,275	3,733,624	352,422	35,247
\$40,000 under \$50,000	5,424,350	9,307,417	5,231,758	8,782,167	298,439	525,250	2,031,099	3,566,913	201,252	28,325
\$50,000 under \$75,000	4,279,018	10,058,599	4,053,698	9,120,037	419,233	938,562	2,143,127	5,931,059	254,998	40,242
\$75,000 under \$100,000	827,410	3,392,064	749,617	2,709,115	175,943	682,949	715,695	3,968,098	114,349	23,889
\$100,000 under \$200,000	467,109	3,240,185	399,034	2,260,403	157,669	979,782	645,381	7,650,223	122,517	56,016
\$200,000 under \$500,000	103,243	1,655,803	80,219	804,138	59,142	851,666	186,825	6,993,207	39,793	33,418
\$500,000 under \$1,000,000	23,569	1,261,636	18,453	224,322	18,678	1,037,314	27,798	3,518,523	6,477	9,363
\$1,000,000 or more	10,136	1,214,723	5,831	303,172	8,078	911,552	21,614	10,178,908	3,306	11,668
<b>Taxable returns, total</b>	<b>63,705,598</b>	<b>70,199,512</b>	<b>61,245,689</b>	<b>62,403,507</b>	<b>3,822,945</b>	<b>7,796,005</b>	<b>20,162,969</b>	<b>53,140,381</b>	<b>2,191,732</b>	<b>309,057</b>
No adjusted gross income	7,633	149,035	5,733	99,432	4,201	49,603	7,745	99,874	2,177	639
\$1 under \$5,000	2,646,362	801,553	2,605,694	768,177	70,324	33,375	1,088,245	168,211	19,612	475
\$5,000 under \$10,000	8,752,632	3,162,135	8,515,263	3,058,040	369,578	104,095	2,535,337	812,880	139,433	6,033
\$10,000 under \$15,000	10,542,802	5,207,617	10,113,091	5,011,467	535,634	196,150	2,314,455	1,276,588	284,863	13,160
\$15,000 under \$20,000	8,794,132	5,790,638	8,454,173	5,503,652	495,426	286,986	2,255,817	1,704,792	258,718	17,958
\$20,000 under \$25,000	7,191,801	6,202,611	6,911,676	5,948,098	436,213	254,513	1,934,755	1,809,776	252,872	20,763
\$25,000 under \$30,000	5,957,516	6,645,836	5,739,340	6,297,230	330,172	348,606	1,541,931	1,776,521	145,931	12,538
\$30,000 under \$40,000	8,702,158	12,324,554	8,384,101	11,692,332	451,861	632,222	2,716,818	3,694,419	348,502	34,973
\$40,000 under \$50,000	5,415,100	9,244,046	5,223,441	8,734,123	294,850	509,923	2,028,593	3,558,607	199,845	28,177
\$50,000 under \$75,000	4,268,712	9,973,902	4,043,764	9,041,810	417,118	932,092	2,142,752	5,930,768	253,413	40,009
\$75,000 under \$100,000	825,378	3,373,374	747,706	2,692,511	174,967	680,863	714,970	3,967,326	114,295	23,869
\$100,000 under \$200,000	464,875	3,213,015	397,361	2,242,035	156,840	970,980	645,362	7,650,174	122,514	56,016
\$200,000 under \$500,000	102,886	1,645,538	79,929	796,057	59,040	849,481	186,781	6,993,038	**49,557	**
\$500,000 under \$1,000,000	23,506	1,257,912	18,408	221,985	18,654	1,035,928	**49,408	**13,697,407	**	**
\$1,000,000 or more	10,105	1,207,746	5,809	296,559	8,067	911,187	**	**	**	**
<b>Non-taxable returns, total</b>	<b>14,399,172</b>	<b>7,429,154</b>	<b>14,194,038</b>	<b>7,118,544</b>	<b>321,315</b>	<b>310,610</b>	<b>1,296,898</b>	<b>678,862</b>	<b>147,546</b>	<b>6,927</b>

\*\* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data combined to avoid disclosure of information for specific taxpayers.

‡ Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

( ) Less than \$500

1 Includes business energy investment credits

2 Includes Form 5800 data where we did not receive back-up schedules.

3 Conforms to the tax withheld, payments with request for extension of filing time, credit for tax on certain gasoline, fuel, and oil, and credit from regulated investment companies

NOTE: Detail may not add to total because of rounding

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Domestic and foreign dividends received			State income tax refunds	
			Number of returns	Amount	Number of returns	Amount	Total	Number of returns	Amount	Number of returns	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>All returns, total</b>	<b>0.04</b>	<b>0.45</b>	<b>0.25</b>	<b>0.32</b>	<b>0.45</b>	<b>1.50</b>	<b>6.73</b>	<b>1.21</b>	<b>6.95</b>	<b>0.97</b>	<b>1.40</b>
No adjusted gross income	5.53	1.98	8.23	7.99	6.45	4.41	7.42	11.59	7.45	15.62	13.35
\$1 under \$5,000	1.48	1.71	1.68	2.35	2.62	5.49	10.06	6.44	10.70	13.74	19.71
\$5,000 under \$10,000	1.48	1.52	1.73	1.91	2.34	4.12	9.21	5.67	9.67	8.49	12.12
\$10,000 under \$15,000	1.64	1.65	1.83	1.91	2.39	4.82	9.35	5.55	9.70	6.35	9.63
\$15,000 under \$20,000	1.84	1.84	2.02	2.10	2.46	5.29	9.40	5.62	9.70	5.31	6.98
\$20,000 under \$25,000	2.04	2.04	2.18	2.25	2.49	5.94	9.73	5.38	10.03	4.41	5.78
\$25,000 under \$30,000	1.74	1.74	1.84	1.91	2.10	6.06	9.73	5.04	10.14	3.49	4.84
\$30,000 under \$40,000	1.26	1.27	1.33	1.38	1.47	4.69	7.20	3.49	7.49	2.26	3.17
\$40,000 under \$50,000	1.67	1.66	1.74	1.76	1.78	5.65	7.97	3.53	8.30	2.53	3.87
\$50,000 under \$75,000	0.73	0.75	0.80	0.88	0.79	2.90	4.33	1.73	4.48	1.30	2.26
\$75,000 under \$100,000	2.30	2.34	2.38	2.58	2.35	7.75	11.32	3.48	11.57	3.38	5.57
\$100,000 under \$200,000	2.08	2.21	2.12	2.61	2.14	4.52	7.38	3.08	7.48	3.58	7.00
\$200,000 under \$500,000	4.85	4.78	3.89	5.26	4.93	12.96	33.60	6.11	33.75	6.24	9.87
\$500,000 under \$1,000,000	15.38	12.52	0.99	1.43	15.53	31.64	13.66	17.88	13.63	26.68	19.33
\$1,000,000 or more	24.85	12.47	0.51	0.72	25.00	4.86	43.19	27.16	43.20	0.72	0.97
<b>Taxable returns, total</b>	<b>0.30</b>	<b>0.46</b>	<b>0.38</b>	<b>0.35</b>	<b>0.51</b>	<b>1.62</b>	<b>7.05</b>	<b>1.24</b>	<b>7.27</b>	<b>0.98</b>	<b>1.42</b>
No adjusted gross income	18.29	4.43	20.91	9.87	18.59	8.21	14.94	18.07	14.98	17.95	13.22
\$1 under \$5,000	3.43	3.51	3.86	4.32	4.99	9.14	14.88	10.68	15.59	35.34	53.68
\$5,000 under \$10,000	1.84	1.88	2.11	2.22	2.76	4.93	11.41	6.81	11.96	11.62	17.60
\$10,000 under \$15,000	1.70	1.71	1.90	1.97	2.48	5.03	9.87	5.80	10.25	7.03	9.79
\$15,000 under \$20,000	1.86	1.87	2.04	2.12	2.50	5.41	9.70	5.76	10.02	5.45	7.26
\$20,000 under \$25,000	2.05	2.05	2.19	2.26	2.51	5.99	9.73	5.43	10.03	4.43	5.82
\$25,000 under \$30,000	1.75	1.75	1.85	1.91	2.11	6.14	9.72	5.09	10.13	3.52	4.91
\$30,000 under \$40,000	1.26	1.27	1.33	1.38	1.48	4.73	7.26	3.51	7.56	2.27	3.18
\$40,000 under \$50,000	1.67	1.66	1.74	1.76	1.79	5.67	7.99	3.54	8.31	2.54	3.88
\$50,000 under \$75,000	0.73	0.75	0.80	0.88	0.80	2.91	4.34	1.74	4.50	1.30	2.14
\$75,000 under \$100,000	2.30	2.35	2.39	2.59	2.36	7.84	11.33	3.48	11.59	3.39	5.59
\$100,000 under \$200,000	2.08	2.21	2.12	2.61	2.14	4.57	7.43	3.09	7.53	3.58	7.01
\$200,000 under \$500,000	4.86	4.79	3.90	5.27	4.94	13.07	33.73	6.12	33.88	6.24	9.88
\$500,000 under \$1,000,000	15.40	12.54	1.00	1.44	15.56	31.88	13.82	17.91	13.79	26.70	19.35
\$1,000,000 or more	24.89	12.50	0.51	0.72	25.04	4.95	43.41	27.20	43.42	0.73	0.98
<b>Nontaxable returns, total</b>	<b>1.30</b>	<b>4.29</b>	<b>1.55</b>	<b>2.21</b>	<b>2.23</b>	<b>3.90</b>	<b>7.43</b>	<b>5.17</b>	<b>7.71</b>	<b>6.59</b>	<b>8.30</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Alimony received			Business or profession				Sales of capital assets					
	Number of returns	Amount	Net income		Net loss		Capital gain distributions reported on Form 1040		Sales of capital assets reported on Schedule D				
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Returns with short-term capital gain or loss				
									Total short-term gain		Total short-term loss		
									Number of returns	Amount			
(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)		
All returns, total	9.31	11.91	0.81	1.81	2.24	2.93	3.53	7.47	3.00	7.15	3.07	7.44	
No adjusted gross income	80.91	31.46	13.15	8.44	7.86	5.72	48.08	64.95	21.18	12.32	20.60	22.36	
\$1 under \$5,000	44.71	48.88	5.40	7.94	11.71	16.84	14.00	25.19	23.67	36.13	26.06	69.19	
\$5,000 under \$10,000	25.48	30.68	4.42	5.96	10.80	15.74	14.58	24.88	23.43	37.22	18.23	35.01	
\$10,000 under \$15,000	24.62	29.54	5.26	6.83	10.09	13.88	12.40	25.45	21.25	31.85	18.97	46.47	
\$15,000 under \$20,000	33.33	43.27	4.99	6.64	10.24	14.00	12.58	29.14	16.65	25.72	16.57	36.62	
\$20,000 under \$25,000	26.20	32.15	4.95	6.83	10.38	13.10	12.55	24.27	15.72	35.27	14.94	46.42	
\$25,000 under \$30,000	24.37	35.87	4.47	6.71	8.31	12.18	12.22	25.91	12.83	35.99	12.32	46.21	
\$30,000 under \$40,000	21.19	27.23	3.28	5.20	5.47	7.82	8.98	23.71	9.40	16.83	9.59	19.36	
\$40,000 under \$50,000	37.72	48.52	3.93	5.84	6.97	8.78	8.51	20.05	8.98	22.73	8.58	16.99	
\$50,000 under \$75,000	23.05	30.21	2.37	3.60	4.64	6.45	5.28	16.96	4.62	10.01	4.76	17.00	
\$75,000 under \$100,000	37.80	50.08	3.99	5.18	6.77	8.97	12.44	27.93	6.43	11.46	7.58	13.63	
\$100,000 under \$200,000	24.83	45.69	5.81	10.16	11.58	17.72	7.43	37.14	6.74	8.09	6.97	11.05	
\$200,000 under \$500,000	28.12	58.00	14.26	3.50	4.47	4.92	9.28	32.36	13.31	5.63	12.35	5.86	
\$500,000 under \$1,000,000	19.79	30.03	50.44	9.47	3.17	2.89	12.55	67.52	32.13	4.49	33.60	6.88	
\$1,000,000 or more	14.19	41.43	1.26	0.34	71.17	18.49	12.68	40.80	39.28	27.26	41.85	11.64	
Taxable returns, total	9.88	12.43	1.08	1.97	2.53	3.40	3.65	7.88	3.06	7.68	3.18	8.07	
No adjusted gross income	0.00	0.00	20.12	26.48	40.69	16.19	0.00	0.00	25.19	19.00	24.38	24.45	
\$1 under \$5,000	99.99	99.99	15.09	16.81	31.92	38.56	22.11	45.31	35.04	44.44	49.01	52.31	
\$5,000 under \$10,000	32.22	38.17	6.41	8.34	14.32	20.13	17.63	29.16	27.18	43.24	24.21	45.18	
\$10,000 under \$15,000	26.97	32.14	5.77	7.55	11.29	16.21	12.78	26.14	22.59	37.00	20.85	53.92	
\$15,000 under \$20,000	33.81	43.27	5.18	6.98	10.78	15.98	12.67	29.16	17.32	28.33	17.61	32.13	
\$20,000 under \$25,000	26.20	32.15	5.03	7.03	10.45	13.43	12.67	24.57	16.03	35.71	15.24	46.50	
\$25,000 under \$30,000	24.37	35.87	4.51	6.80	8.45	12.47	12.22	25.91	13.14	36.27	12.64	49.66	
\$30,000 under \$40,000	21.19	27.23	3.27	5.32	5.50	7.89	9.01	23.97	9.51	17.52	9.72	20.40	
\$40,000 under \$50,000	37.72	48.52	3.95	5.90	6.98	8.87	8.51	20.06	9.03	23.58	8.64	17.14	
\$50,000 under \$75,000	23.06	30.23	2.37	3.61	4.66	6.54	5.28	16.96	4.64	10.12	4.80	17.67	
\$75,000 under \$100,000	38.21	52.08	4.01	5.20	6.79	9.11	12.44	27.93	6.48	11.65	7.60	13.67	
\$100,000 under \$200,000	24.89	47.55	5.82	10.18	11.70	17.93	7.43	37.14	6.75	8.13	7.00	11.22	
\$200,000 under \$500,000	28.22	58.10	14.29	3.50	4.49	5.01	9.29	32.40	13.33	5.72	12.37	6.04	
\$500,000 under \$1,000,000	19.79	30.03	50.51	9.51	3.18	2.92	12.61	67.56	32.18	4.59	33.67	7.08	
\$1,000,000 or more	14.19	41.43	1.26	0.34	71.26	18.71	12.68	40.80	39.33	27.37	41.93	12.01	
Nontaxable returns, total	27.81	30.22	3.60	4.81	5.68	5.18	13.28	21.99	14.55	12.01	12.80	19.08	

Footnote(s) at end of table.



**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets—Continued											
	Returns with short-term capital gain or loss—Continued						Returns with long-term capital gain or loss					
	Net short-term gain			Net short-term loss			Total long-term gain			Total long-term loss		
	Number of returns (25)	Amount (26)	Number of returns (27)	Amount (28)	Number of returns (29)	Amount (30)	Number of returns (31)	Amount (32)	Number of returns (33)	Amount (34)	Number of returns (35)	Amount (36)
<b>All returns, total</b> .....	<b>3.46</b>	<b>8.73</b>	<b>3.50</b>	<b>8.80</b>	<b>1.44</b>	<b>4.71</b>	<b>2.52</b>	<b>8.76</b>	<b>1.51</b>	<b>4.92</b>	<b>3.95</b>	<b>13.75</b>
No adjusted gross income	26.80	8.15	19.81	25.24	9.83	4.16	15.28	25.09	10.30	4.11	22.32	38.56
\$1 under \$5,000	24.48	32.38	30.94	79.13	8.49	13.51	16.23	30.43	8.79	13.76	19.48	33.51
\$5,000 under \$10,000	25.37	39.11	18.84	35.45	7.71	12.64	15.67	51.03	8.00	12.98	20.46	55.54
\$10,000 under \$15,000	23.23	29.93	20.45	49.58	7.66	13.72	13.85	25.61	7.97	14.36	17.87	29.61
\$15,000 under \$20,000	18.43	31.79	18.56	37.74	6.77	11.12	13.43	63.67	6.95	10.89	19.54	74.71
\$20,000 under \$25,000	18.27	43.68	16.39	49.96	6.83	10.76	11.27	40.87	7.14	11.20	16.13	54.19
\$25,000 under \$30,000	15.13	29.13	13.98	54.70	6.06	9.73	10.95	48.69	6.32	10.26	14.53	63.65
\$30,000 under \$40,000	10.51	20.65	10.55	21.37	4.46	8.54	7.74	21.98	4.65	8.81	10.96	29.33
\$40,000 under \$50,000	10.24	29.23	9.61	19.04	4.34	8.29	7.22	26.14	4.57	8.46	9.42	33.17
\$50,000 under \$75,000	4.99	10.44	5.51	19.51	2.11	4.39	4.25	10.92	2.21	4.45	6.64	16.11
\$75,000 under \$100,000	7.78	13.97	7.85	15.64	3.80	7.81	6.01	11.04	4.02	8.12	8.03	17.72
\$100,000 under \$200,000	5.77	7.85	8.78	12.54	3.17	6.81	6.05	8.25	3.21	7.03	10.89	14.97
\$200,000 under \$500,000	13.17	7.28	13.21	7.12	6.01	2.90	10.20	28.36	5.53	2.31	5.00	18.78
\$500,000 under \$1,000,000	2.12	5.08	42.86	9.50	16.86	2.37	29.86	6.16	17.44	2.35	5.16	9.26
\$1,000,000 or more	47.79	28.20	1.12	2.93	25.90	15.40	0.74	2.93	26.54	15.63	3.54	17.75
<b>Taxable returns, total</b> .....	<b>3.52</b>	<b>9.32</b>	<b>3.61</b>	<b>9.70</b>	<b>1.50</b>	<b>4.95</b>	<b>2.60</b>	<b>9.81</b>	<b>1.57</b>	<b>5.15</b>	<b>4.13</b>	<b>15.91</b>
No adjusted gross income	28.42	23.97	30.34	27.01	18.59	6.28	20.98	20.96	19.07	6.16	84.95	1.30
\$1 under \$5,000	35.04	49.05	68.24	78.55	14.03	16.46	37.70	90.19	14.03	16.50	57.63	99.16
\$5,000 under \$10,000	28.23	45.05	25.68	45.89	9.92	15.82	21.27	39.98	10.27	16.04	28.09	47.06
\$10,000 under \$15,000	24.50	35.41	22.81	57.87	8.07	14.57	14.86	31.84	8.35	15.14	38.93	83.53
\$15,000 under \$20,000	19.10	33.19	19.80	33.31	7.10	12.12	13.88	66.18	7.29	11.67	20.47	76.11
\$20,000 under \$25,000	18.64	44.18	16.48	49.99	6.93	11.08	11.42	42.09	7.24	11.49	16.42	54.44
\$25,000 under \$30,000	15.26	29.16	14.45	59.91	6.20	10.16	11.39	51.67	6.46	10.61	15.09	65.33
\$30,000 under \$40,000	10.64	21.14	10.72	22.36	4.49	8.65	7.78	22.58	4.68	8.91	11.00	29.61
\$40,000 under \$50,000	10.31	30.76	9.66	19.21	4.35	8.31	7.24	26.38	4.58	8.48	9.46	33.53
\$50,000 under \$75,000	5.00	10.53	5.54	20.35	2.12	4.41	4.28	11.06	2.21	4.47	6.68	16.41
\$75,000 under \$100,000	7.85	14.27	7.86	15.67	3.81	7.86	6.04	10.76	4.03	8.16	8.06	17.81
\$100,000 under \$200,000	5.78	7.88	8.83	12.78	3.17	6.82	6.07	8.33	3.22	7.04	10.96	15.44
\$200,000 under \$500,000	13.19	7.35	13.25	7.35	6.02	2.90	10.22	29.02	5.53	2.31	5.03	20.18
\$500,000 under \$1,000,000	2.12	5.16	42.92	9.75	16.89	2.38	29.92	6.64	17.46	2.36	5.21	13.49
\$1,000,000 or more	47.82	28.23	1.12	3.07	25.93	15.41	0.74	3.01	26.56	15.64	3.59	18.70
<b>Nontaxable returns, total</b> .....	<b>17.40</b>	<b>8.82</b>	<b>13.77</b>	<b>20.96</b>	<b>5.67</b>	<b>4.78</b>	<b>9.63</b>	<b>19.52</b>	<b>5.98</b>	<b>4.97</b>	<b>12.16</b>	<b>27.43</b>

Footnote(s) at end of table

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued

(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Sales of capital assets—Continued										Sales of property other than capital assets			
	Sales of capital assets reported on Schedule D—Continued										Net gain			
	Net long-term capital gain in excess of net short-term capital loss										Net loss			
	Total		Excluded portion		Amount included in AGI		Net capital gain		Net capital loss		Amount		Number of returns	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(37)	(38)	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)
<b>All returns, total</b>	1.54	5.00	1.54	5.00	1.54	5.00	1.49	5.17	3.36	4.22	5.16	5.24	5.60	7.32
No adjusted gross income	10.46	3.69	10.47	3.69	10.47	3.69	10.31	3.54	0.00	0.00	18.42	10.72	18.90	11.59
\$1 under \$5,000	8.85	13.84	8.85	13.84	8.85	13.84	8.74	13.37	24.60	30.58	32.74	48.62	28.20	41.54
\$5,000 under \$10,000	8.13	13.16	8.13	13.16	8.13	13.16	7.97	12.63	16.27	21.40	23.49	39.42	26.81	54.04
\$10,000 under \$15,000	7.97	13.86	7.99	13.86	7.99	13.86	7.88	13.30	16.48	20.39	23.45	34.64	27.77	37.10
\$15,000 under \$20,000	7.10	11.06	7.12	11.06	7.10	11.06	6.91	10.66	15.65	19.93	21.43	34.96	26.02	33.45
\$20,000 under \$25,000	7.23	11.36	7.23	11.36	7.23	11.36	6.99	11.79	13.25	16.88	25.59	30.10	24.97	38.82
\$25,000 under \$30,000	6.43	10.39	6.43	10.39	6.46	10.39	6.28	10.05	12.24	15.94	20.36	27.27	29.00	38.43
\$30,000 under \$40,000	4.73	8.93	4.73	8.93	4.74	8.93	4.55	8.51	8.89	11.59	15.99	20.91	15.99	22.39
\$40,000 under \$50,000	4.63	8.57	4.63	8.57	4.64	8.57	4.49	8.40	7.98	9.51	16.78	29.79	15.23	20.27
\$50,000 under \$75,000	2.25	4.21	2.25	4.21	2.25	4.21	2.18	4.05	5.24	7.01	9.79	12.60	9.45	18.65
\$75,000 under \$100,000	4.09	8.25	4.08	8.25	4.09	8.25	3.95	7.86	6.79	7.97	10.19	16.88	17.24	18.72
\$100,000 under \$200,000	3.31	7.08	3.31	7.08	3.31	7.08	3.19	6.74	9.76	11.45	5.34	9.56	15.21	12.14
\$200,000 under \$500,000	5.66	2.33	5.66	2.33	5.66	2.33	6.34	2.89	4.12	4.60	26.18	8.55	4.47	8.82
\$500,000 under \$1,000,000	17.73	2.37	17.73	2.37	17.73	2.37	17.45	2.28	4.42	4.81	59.95	8.48	3.46	8.16
\$1,000,000 or more	26.77	15.70	26.78	15.70	26.78	15.70	26.50	16.34	3.12	3.27	1.46	2.21	1.50	3.29
<b>Taxable returns, total</b>	1.59	5.22	1.59	5.22	1.59	5.22	1.55	5.40	3.41	4.31	5.59	5.80	6.05	7.94
No adjusted gross income	19.08	6.06	19.08	6.06	19.08	6.06	18.75	6.06	0.00	0.00	36.78	15.43	28.55	17.03
\$1 under \$5,000	14.03	16.51	14.03	16.51	14.03	16.51	13.90	17.02	57.50	97.50	85.29	56.09	57.51	85.52
\$5,000 under \$10,000	10.42	16.19	10.42	16.19	10.42	16.19	10.11	15.42	22.31	29.66	34.77	49.85	42.90	63.94
\$10,000 under \$15,000	8.34	14.54	8.37	14.54	8.37	14.54	8.25	14.04	17.60	22.17	25.81	38.49	32.21	43.02
\$15,000 under \$20,000	7.41	11.83	7.43	11.84	7.41	11.84	7.20	11.42	15.89	20.07	23.57	33.45	27.48	37.88
\$20,000 under \$25,000	7.34	11.65	7.34	11.66	7.34	11.66	7.09	12.08	13.34	16.98	26.39	32.68	26.02	41.60
\$25,000 under \$30,000	6.58	10.73	6.50	10.73	6.60	10.73	6.42	10.35	12.32	16.06	21.74	29.96	29.44	43.63
\$30,000 under \$40,000	4.76	9.01	4.76	9.01	4.77	9.01	4.58	8.60	8.97	11.75	14.62	21.14	16.15	23.25
\$40,000 under \$50,000	4.64	8.58	4.64	8.58	4.65	8.58	4.50	8.45	8.02	9.60	16.78	29.79	15.28	21.36
\$50,000 under \$75,000	2.26	4.22	2.26	4.22	2.26	4.22	2.19	4.06	5.26	7.04	9.81	12.68	9.51	19.17
\$75,000 under \$100,000	4.10	8.28	4.09	8.28	4.10	8.28	3.96	7.89	6.80	7.99	10.21	16.99	17.28	19.00
\$100,000 under \$200,000	3.31	7.09	3.32	7.09	3.32	7.09	3.20	6.75	9.79	11.50	5.35	9.65	15.25	12.27
\$200,000 under \$500,000	5.67	2.33	5.67	2.33	5.67	2.33	6.35	2.89	4.13	4.61	26.23	8.62	4.48	8.94
\$500,000 under \$1,000,000	17.75	2.37	17.75	2.37	17.75	2.37	17.47	2.28	4.43	4.82	60.01	8.57	3.47	8.42
\$1,000,000 or more	26.79	15.71	26.79	15.71	26.79	15.71	26.52	16.35	3.13	3.28	1.46	2.22	1.51	3.34
<b>Non-taxable returns, total</b>	6.10	4.65	6.10	4.65	6.10	4.65	6.00	4.34	15.40	18.72	13.79	12.41	13.58	11.22

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Pensions and annuities											
	Total		In adjusted gross income		Fully included in AGI		Partially included in AGI		Not included in AGI			
	Number of returns (51)	Amount (52)	Number of returns (53)	Amount (54)	Number of returns (55)	Amount (56)	Number of returns (57)	Amount received (58)	Amount included in AGI (59)	Number of returns (60)	Amount (61)	
<b>All returns, total</b>	<b>1.39</b>	<b>2.11</b>	<b>1.46</b>	<b>1.94</b>	<b>1.54</b>	<b>2.01</b>	<b>2.95</b>	<b>4.99</b>	<b>7.21</b>	<b>2.95</b>	<b>5.82</b>	
No adjusted gross income	17.76	17.13	19.37	19.29	20.25	20.60	29.70	30.15	31.88	29.70	36.44	
\$1 under \$5,000	7.24	13.27	7.58	9.36	7.94	9.76	16.54	28.93	32.11	16.54	31.79	
\$5,000 under \$10,000	4.43	5.97	4.48	5.44	4.65	5.62	12.30	20.08	20.87	12.30	23.94	
\$10,000 under \$15,000	4.39	5.56	4.46	5.41	4.58	5.54	12.13	17.88	21.48	12.13	22.42	
\$15,000 under \$20,000	4.87	7.75	4.97	6.29	5.10	6.43	12.72	26.69	24.13	12.72	30.80	
\$20,000 under \$25,000	5.22	6.88	5.40	7.04	5.61	7.25	11.73	17.00	24.48	11.73	20.43	
\$25,000 under \$30,000	5.10	8.08	5.32	7.55	5.54	7.83	11.15	21.76	25.82	11.15	27.36	
\$30,000 under \$40,000	3.90	6.04	4.11	6.10	4.37	6.46	7.55	12.84	15.92	7.55	14.99	
\$40,000 under \$50,000	4.11	8.29	4.43	7.15	4.76	7.30	7.35	16.87	25.94	7.35	19.80	
\$50,000 under \$75,000	2.31	4.87	2.46	4.13	2.58	3.95	4.50	10.90	19.03	4.50	12.64	
\$75,000 under \$100,000	5.06	9.36	5.65	7.38	6.25	8.08	6.78	16.08	16.54	6.78	18.83	
\$100,000 under \$200,000	5.47	7.03	6.58	7.62	6.48	8.36	8.58	10.55	11.98	8.58	11.41	
\$200,000 under \$500,000	2.76	9.13	3.19	6.88	3.42	7.40	4.61	12.37	15.91	4.61	12.85	
\$500,000 under \$1,000,000	2.50	6.76	2.94	7.23	3.15	7.40	4.08	9.22	24.47	4.08	9.54	
\$1,000,000 or more	1.35	3.26	1.56	4.35	1.67	4.52	2.24	4.42	14.67	2.24	4.50	
<b>Taxable returns, total</b>	<b>1.47</b>	<b>2.20</b>	<b>1.54</b>	<b>2.04</b>	<b>1.63</b>	<b>2.11</b>	<b>3.05</b>	<b>5.21</b>	<b>7.59</b>	<b>3.05</b>	<b>6.07</b>	
No adjusted gross income	44.01	34.98	44.82	33.30	37.10	34.25	87.29	80.41	41.19	87.29	85.50	
\$1 under \$5,000	20.85	21.97	20.85	22.28	22.36	23.44	57.72	62.90	71.74	57.72	71.13	
\$5,000 under \$10,000	5.51	6.76	5.55	6.77	5.71	6.95	16.91	22.45	27.32	16.91	23.69	
\$10,000 under \$15,000	4.54	5.75	4.61	5.56	4.73	5.69	12.79	18.91	22.76	12.79	23.57	
\$15,000 under \$20,000	4.91	7.86	5.00	6.33	5.14	6.47	12.93	28.16	24.13	12.93	32.86	
\$20,000 under \$25,000	5.25	6.95	5.42	7.11	5.62	7.31	11.83	17.26	25.24	11.83	20.51	
\$25,000 under \$30,000	5.12	8.12	5.33	7.58	5.56	7.86	11.27	21.87	25.83	11.27	27.55	
\$30,000 under \$40,000	3.90	6.05	4.11	6.10	4.37	6.46	7.58	12.88	15.96	7.58	15.04	
\$40,000 under \$50,000	4.12	8.31	4.44	7.17	4.77	7.31	7.39	16.90	26.04	7.39	19.82	
\$50,000 under \$75,000	2.31	4.87	2.46	4.13	2.58	3.95	4.50	10.91	19.03	4.50	12.65	
\$75,000 under \$100,000	5.06	9.37	5.66	7.39	6.26	8.10	6.78	16.08	16.54	6.78	18.83	
\$100,000 under \$200,000	5.48	7.06	6.59	7.65	6.49	8.37	8.58	10.61	11.89	8.58	11.45	
\$200,000 under \$500,000	2.76	9.15	3.19	6.92	3.42	7.45	4.61	12.38	15.95	4.61	12.86	
\$500,000 under \$1,000,000	2.51	6.77	2.94	7.23	3.15	7.40	4.08	9.25	24.48	4.08	9.57	
\$1,000,000 or more	1.35	3.26	1.56	4.36	1.67	4.53	2.24	4.42	14.68	2.24	4.50	
<b>Nontaxable returns, total</b>	<b>4.87</b>	<b>7.43</b>	<b>5.08</b>	<b>6.61</b>	<b>5.32</b>	<b>8.98</b>	<b>10.88</b>	<b>17.15</b>	<b>20.31</b>	<b>10.88</b>	<b>19.81</b>	

Footnote(s) at end of table



(Coefficient of variation for number of returns and amount (percent))

Footnote(s) at end of table.

Footnote(s) at end of table.

Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Partnership				Small Business Corporation				Partnership and S Corporation			
	Total income		Total loss		Total income		Total loss		Net income		Net loss	
	Number of returns (74)	Amount (75)	Number of returns (76)	Amount (77)	Number of returns (78)	Amount (79)	Number of returns (80)	Amount (81)	Number of returns (82)	Amount (83)	Number of returns (84)	Amount (85)
<b>All returns, total</b>	<b>2.73</b>	<b>2.72</b>	<b>2.30</b>	<b>2.15</b>	<b>5.74</b>	<b>2.52</b>	<b>5.36</b>	<b>3.76</b>	<b>3.08</b>	<b>2.38</b>	<b>2.44</b>	<b>1.97</b>
No adjusted gross income	14.47	4.86	11.34	2.53	12.97	4.43	16.39	6.39	28.25	9.82	10.56	2.71
\$1 under \$5,000	16.63	28.47	18.52	23.63	51.26	43.33	37.28	41.60	17.62	27.02	18.13	22.13
\$5,000 under \$10,000	17.86	22.15	20.62	22.59	27.02	33.22	29.73	41.89	15.94	20.51	18.04	26.20
\$10,000 under \$15,000	18.02	25.33	18.05	18.53	61.31	59.50	31.35	37.83	19.22	27.78	16.75	18.25
\$15,000 under \$20,000	16.35	24.28	13.97	18.37	36.33	31.63	29.78	29.72	16.43	25.06	13.23	16.35
\$20,000 under \$25,000	14.04	22.47	13.54	14.44	30.38	34.74	28.66	26.65	14.49	20.88	13.20	13.97
\$25,000 under \$30,000	12.53	21.07	12.08	13.73	30.81	43.98	29.22	29.91	13.19	20.92	12.21	13.94
\$30,000 under \$40,000	9.63	17.45	8.04	8.74	18.26	27.83	19.00	19.10	10.02	16.16	7.98	8.64
\$40,000 under \$50,000	8.50	14.56	7.13	17.74	18.77	26.80	15.71	16.91	8.70	14.29	7.13	16.98
\$50,000 under \$75,000	4.52	7.67	3.88	4.68	9.11	13.38	9.74	11.79	4.45	7.44	4.18	4.85
\$75,000 under \$100,000	6.55	7.81	5.13	11.56	9.69	14.03	9.86	10.40	6.58	7.80	5.62	12.83
\$100,000 under \$200,000	4.92	4.35	4.17	2.74	5.38	8.04	5.48	6.22	5.96	4.34	4.54	2.85
\$200,000 under \$500,000	8.24	3.48	8.15	2.92	3.46	4.80	3.78	4.34	2.19	3.44	10.71	3.08
\$500,000 under \$1,000,000	24.73	20.24	22.24	3.20	44.59	3.51	2.50	3.29	32.15	14.51	1.57	1.78
\$1,000,000 or more	34.90	8.01	31.68	15.66	0.96	0.83	1.03	1.20	0.86	0.71	42.28	13.09
<b>Taxable returns, total</b>	<b>2.80</b>	<b>2.88</b>	<b>2.36</b>	<b>2.82</b>	<b>5.95</b>	<b>2.62</b>	<b>5.74</b>	<b>3.29</b>	<b>3.14</b>	<b>2.41</b>	<b>2.55</b>	<b>2.55</b>
No adjusted gross income	20.88	7.01	16.87	5.51	23.89	15.77	38.41	10.95	49.72	32.48	21.35	5.51
\$1 under \$5,000	31.58	48.19	54.85	41.82	79.60	57.77	66.84	76.78	35.15	50.87	48.64	39.60
\$5,000 under \$10,000	22.01	28.45	27.91	33.31	35.64	44.12	49.96	58.30	19.12	24.51	25.92	31.45
\$10,000 under \$15,000	20.35	29.19	21.63	24.17	72.04	56.44	49.05	52.37	21.97	31.18	20.17	23.23
\$15,000 under \$20,000	18.14	30.90	15.20	23.06	38.99	39.85	34.30	36.59	18.12	30.98	14.04	19.43
\$20,000 under \$25,000	14.55	24.60	14.15	16.09	32.75	38.53	31.28	31.35	14.91	22.10	13.80	15.77
\$25,000 under \$30,000	12.78	21.96	12.59	14.85	35.66	56.52	34.08	36.23	13.60	22.29	12.69	15.54
\$30,000 under \$40,000	9.87	18.30	8.20	9.18	18.64	28.16	19.28	21.05	10.16	16.55	8.14	9.20
\$40,000 under \$50,000	8.59	14.81	7.19	18.75	19.03	27.53	16.14	17.69	8.75	14.40	7.20	17.92
\$50,000 under \$75,000	4.55	7.77	3.90	4.79	9.25	13.65	9.89	12.82	4.46	7.50	4.20	4.99
\$75,000 under \$100,000	6.57	7.83	5.15	11.75	9.74	14.14	9.96	10.84	6.60	7.81	5.64	13.17
\$100,000 under \$200,000	4.93	4.35	4.18	2.76	5.40	8.11	5.50	6.30	5.97	4.34	4.55	2.87
\$200,000 under \$500,000	8.25	3.50	8.16	2.94	3.47	4.82	3.79	4.45	2.19	3.45	10.73	3.11
\$500,000 under \$1,000,000	24.76	20.34	22.28	3.23	44.63	3.51	2.51	3.36	32.17	14.55	1.58	1.81
\$1,000,000 or more	34.95	8.06	31.72	15.71	0.98	0.83	1.03	1.21	0.87	0.72	42.33	13.15
<b>Non-taxable returns, total</b>	<b>10.33</b>	<b>8.12</b>	<b>8.37</b>	<b>2.90</b>	<b>19.37</b>	<b>8.69</b>	<b>12.88</b>	<b>7.22</b>	<b>11.97</b>	<b>13.41</b>	<b>7.93</b>	<b>3.15</b>

Footnote(s) at end of table.

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Estate or trust						Firm					
	Total income			Total loss			Net income			Net loss		
	Number of returns (88)	Amount (87)	Number of returns (88)	Amount (89)	Number of returns (90)	Amount (91)	Number of returns (92)	Amount (93)	Number of returns (94)	Amount (95)	Number of returns (96)	Amount (97)
All returns, total	5.32	5.25	15.17	12.64	5.37	5.29	14.72	12.32	6.09	7.80	3.26	3.93
No adjusted gross income	29.79	25.48	62.67	28.07	27.13	18.33	71.38	14.23	26.31	22.05	13.20	9.03
\$1 under \$5,000	18.92	28.12	97.63	75.87	18.94	28.17	97.63	75.95	24.20	36.00	18.77	24.68
\$5,000 under \$10,000	25.09	28.60	75.39	90.86	25.60	28.90	75.39	97.76	24.48	41.16	15.47	19.38
\$10,000 under \$15,000	21.88	29.14	56.86	73.73	21.88	29.17	58.24	78.45	27.96	37.58	19.47	21.44
\$15,000 under \$20,000	23.38	33.22	43.39	57.48	23.38	33.22	43.39	57.48	21.53	25.30	15.73	17.82
\$20,000 under \$25,000	26.34	35.81	67.07	94.32	26.34	35.81	67.07	94.32	28.82	44.33	16.55	17.64
\$25,000 under \$30,000	20.05	31.73	48.77	60.13	20.05	31.77	54.90	64.44	19.62	26.29	14.71	18.26
\$30,000 under \$40,000	17.71	26.95	44.21	49.96	17.71	26.98	48.86	51.28	17.18	24.96	11.82	12.65
\$40,000 under \$50,000	16.74	23.00	32.54	57.80	17.00	23.59	36.76	72.48	21.88	30.17	13.52	15.28
\$50,000 under \$75,000	10.35	13.99	21.19	29.13	10.48	14.14	24.79	33.54	13.09	19.07	11.22	12.18
\$75,000 under \$100,000	18.43	21.12	59.08	35.82	18.50	21.31	31.74	37.60	22.88	36.41	13.51	13.74
\$100,000 under \$200,000	12.92	10.71	42.02	16.94	13.37	10.96	14.17	16.80	14.77	24.05	7.90	9.45
\$200,000 under \$500,000	26.77	10.64	58.59	17.85	27.03	10.03	10.36	17.10	10.31	18.69	5.33	6.54
\$500,000 under \$1,000,000	56.88	7.63	6.74	11.60	57.70	7.77	7.68	13.11	8.94	18.95	72.93	23.67
\$1,000,000 or more	1.44	2.69	3.00	4.11	1.47	2.68	3.44	4.16	3.95	5.89	1.72	1.77
Taxable returns, total	5.53	5.32	16.10	14.01	5.57	5.38	15.01	16.36	7.62	9.28	4.42	4.43
No adjusted gross income	30.74	15.88	33.84	31.10	31.79	15.97	39.94	31.07	82.25	36.85	42.74	31.09
\$1 under \$5,000	22.33	25.23	97.43	66.87	22.34	25.25	97.43	52.08	99.99	99.99	70.94	79.76
\$5,000 under \$10,000	33.32	37.65	99.94	99.94	33.32	37.65	99.94	99.94	36.94	52.28	25.06	31.77
\$10,000 under \$15,000	23.71	31.35	71.49	76.19	23.71	31.35	71.49	76.19	37.66	50.94	22.65	25.30
\$15,000 under \$20,000	24.36	34.28	43.39	57.48	24.36	34.28	43.39	57.48	23.52	28.87	16.06	19.51
\$20,000 under \$25,000	26.34	35.83	67.09	94.33	26.34	35.83	67.09	94.33	30.13	46.78	17.05	19.38
\$25,000 under \$30,000	20.91	32.48	48.80	63.51	20.91	32.53	54.95	68.39	20.36	28.35	15.53	19.30
\$30,000 under \$40,000	17.75	27.10	45.66	61.26	17.75	27.13	50.99	63.50	18.16	27.26	11.89	12.93
\$40,000 under \$50,000	16.78	23.56	32.71	58.00	17.04	24.20	37.00	72.96	22.33	31.57	13.55	15.32
\$50,000 under \$75,000	10.42	14.01	21.19	29.13	10.55	14.16	24.79	33.54	13.25	19.10	11.24	12.40
\$75,000 under \$100,000	18.56	21.33	60.24	40.59	18.63	21.53	33.32	43.76	22.88	36.41	13.57	14.04
\$100,000 under \$200,000	12.95	10.72	42.55	16.98	13.41	10.97	14.18	16.85	14.77	24.05	7.94	9.47
\$200,000 under \$500,000	26.80	10.68	58.62	17.93	27.06	10.06	10.38	17.20	10.32	18.70	5.35	6.60
\$500,000 under \$1,000,000	56.92	7.66	6.78	12.17	57.75	7.80	7.72	13.93	8.96	18.95	73.01	23.92
\$1,000,000 or more	1.44	2.71	3.02	4.15	1.47	2.70	3.46	4.20	3.96	5.89	1.72	1.78
Nontaxable returns, total	19.01	21.66	45.35	26.13	19.65	22.23	48.38	14.83	13.33	16.21	8.19	7.54

Footnote(s) at end of table



**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Unemployment compensation				Social Security benefits				Other income			
	Total		In adjusted gross income		Total		Benefits in AGI		Net income		Net loss	
	Number of returns (98)	Amount (99)	Number of returns (100)	Amount (101)	Number of returns (102)	Amount (103)	Number of returns (104)	Amount (105)	Number of returns (106)	Amount (107)	Number of returns (108)	Amount (109)
<b>All returns, total</b>	<b>2.10</b>	<b>2.97</b>	<b>2.56</b>	<b>3.39</b>	<b>1.96</b>	<b>2.17</b>	<b>2.73</b>	<b>2.95</b>	<b>2.39</b>	<b>3.95</b>	<b>5.03</b>	<b>2.85</b>
No adjusted gross income	25.98	30.30	0.00	0.00	19.20	20.39	84.20	80.56	23.27	17.18	9.31	3.21
\$1 under \$5,000	7.35	9.58	0.00	0.00	7.32	8.11	67.19	67.19	11.38	16.24	18.98	25.92
\$5,000 under \$10,000	5.75	7.57	25.15	32.59	4.91	5.36	70.70	89.62	8.92	15.30	22.98	32.15
\$10,000 under \$15,000	6.06	8.40	9.90	12.49	5.71	6.43	92.20	92.20	10.14	18.94	34.98	42.71
\$15,000 under \$20,000	6.71	9.57	7.34	9.80	6.69	7.47	50.64	92.81	9.05	19.03	29.97	27.71
\$20,000 under \$25,000	6.77	9.78	6.78	8.85	7.95	8.96	17.75	23.62	8.45	17.72	37.07	65.96
\$25,000 under \$30,000	6.39	9.00	6.39	8.83	7.65	8.63	8.99	12.81	9.65	22.05	29.50	53.41
\$30,000 under \$40,000	5.31	7.11	5.31	7.11	5.75	6.66	5.82	6.67	6.48	15.08	25.88	22.28
\$40,000 under \$50,000	6.80	9.04	6.80	9.04	6.74	7.60	6.30	7.54	6.30	18.18	22.23	31.25
\$50,000 under \$75,000	5.35	7.06	5.35	7.06	3.86	4.25	3.86	4.25	3.66	9.40	17.81	37.78
\$75,000 under \$100,000	14.19	18.73	14.19	18.73	7.31	7.94	7.31	7.94	6.39	13.35	24.95	61.14
\$100,000 under \$200,000	13.58	18.33	13.58	18.33	5.86	12.37	5.86	12.34	3.27	8.57	19.59	12.90
\$200,000 under \$500,000	15.66	19.12	15.66	19.12	3.09	3.60	3.09	3.60	2.75	7.44	38.71	62.01
\$500,000 under \$1,000,000	21.62	26.30	21.62	26.30	2.74	3.19	2.74	3.19	2.31	5.84	2.31	5.84
\$1,000,000 or more	16.40	22.93	16.40	22.93	1.38	1.55	1.39	1.55	55.15	2.06	2.36	1.42
<b>Taxable returns, total</b>	<b>2.29</b>	<b>3.26</b>	<b>2.56</b>	<b>3.40</b>	<b>2.15</b>	<b>2.36</b>	<b>2.74</b>	<b>2.97</b>	<b>2.49</b>	<b>4.21</b>	<b>8.14</b>	<b>10.48</b>
No adjusted gross income	57.20	64.61	0.00	0.00	74.40	75.87	95.35	94.63	23.02	24.54	33.36	10.42
\$1 under \$5,000	16.26	21.17	0.00	0.00	24.25	25.77	0.00	0.00	22.57	31.10	64.25	61.16
\$5,000 under \$10,000	7.93	10.45	27.87	38.97	6.12	6.51	0.00	0.00	11.35	19.12	46.93	52.37
\$10,000 under \$15,000	6.25	8.73	10.07	12.72	5.91	6.65	99.99	99.99	10.89	20.67	44.67	44.11
\$15,000 under \$20,000	6.77	9.64	7.34	9.80	6.76	7.55	50.81	93.43	9.28	19.79	32.88	34.24
\$20,000 under \$25,000	6.78	9.79	6.80	8.86	7.95	8.98	17.82	23.63	8.54	17.88	39.71	68.58
\$25,000 under \$30,000	6.40	9.01	6.40	8.85	7.71	8.69	9.09	12.96	9.81	20.66	31.09	58.48
\$30,000 under \$40,000	5.31	7.11	5.31	7.11	5.78	6.70	5.85	6.71	6.52	15.47	26.75	25.41
\$40,000 under \$50,000	6.80	9.07	6.80	9.07	6.74	7.60	6.31	7.54	6.31	18.51	23.18	33.85
\$50,000 under \$75,000	5.35	7.06	5.35	7.06	3.87	4.26	3.87	4.26	3.67	9.47	17.85	38.11
\$75,000 under \$100,000	14.19	18.73	14.19	18.73	7.33	7.97	7.33	7.97	6.41	13.30	25.27	62.61
\$100,000 under \$200,000	13.58	18.33	13.58	18.33	5.89	12.43	5.89	12.40	3.28	8.68	19.68	13.26
\$200,000 under \$500,000	15.69	19.16	15.69	19.16	3.10	3.60	3.10	3.60	2.76	7.52	39.22	63.64
\$500,000 under \$1,000,000	21.78	26.36	21.78	26.36	2.74	3.19	2.74	3.19	2.31	7.14	5.91	5.69
\$1,000,000 or more	16.40	22.93	16.40	22.93	1.39	1.55	1.39	1.55	55.21	2.07	2.37	1.42
<b>Nontaxable returns, total</b>	<b>5.54</b>	<b>7.21</b>	<b>34.93</b>	<b>36.16</b>	<b>5.15</b>	<b>5.76</b>	<b>31.52</b>	<b>32.32</b>	<b>8.18</b>	<b>11.38</b>	<b>7.60</b>	<b>3.41</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments											
	Total		Moving expense		Employee business expense		Payments to an IRA		Payments to a Keogh plan		Forfeited interest penalty	
	Number of returns (110)	Amount (111)	Number of returns (112)	Amount (113)	Number of returns (114)	Amount (115)	Number of returns (116)	Amount (117)	Number of returns (118)	Amount (119)	Number of returns (120)	Amount (121)
<b>All returns, total</b> .....	<b>0.63</b>	<b>1.05</b>	<b>4.14</b>	<b>4.42</b>	<b>1.87</b>	<b>2.55</b>	<b>1.10</b>	<b>1.07</b>	<b>3.87</b>	<b>10.82</b>	<b>6.25</b>	<b>9.84</b>
No adjusted gross income .....	12.00	15.12	38.25	41.65	27.33	29.48	20.10	15.87	51.82	27.50	29.82	29.32
\$1 under \$5,000 .....	9.23	17.35	29.10	47.47	20.44	31.60	16.96	18.78	85.40	85.40	26.64	49.09
\$5,000 under \$10,000 .....	5.20	8.87	15.41	21.40	11.90	16.62	9.88	10.61	61.91	49.39	21.76	31.27
\$10,000 under \$15,000 .....	4.01	6.53	14.74	21.26	9.34	13.49	7.65	8.53	29.91	30.07	24.08	33.32
\$15,000 under \$20,000 .....	3.50	5.21	14.99	17.72	8.06	11.17	6.36	6.97	33.01	35.05	23.91	45.29
\$20,000 under \$25,000 .....	3.05	4.29	12.09	15.53	6.96	10.09	5.29	5.61	23.79	26.18	21.57	34.61
\$25,000 under \$30,000 .....	2.46	3.55	12.05	15.40	6.21	9.26	4.48	4.86	25.04	24.67	19.55	31.20
\$30,000 under \$40,000 .....	1.89	2.49	12.39	15.66	4.82	6.99	3.10	3.39	14.07	15.43	14.91	25.27
\$40,000 under \$50,000 .....	1.88	2.11	10.37	10.52	4.54	6.20	2.86	2.90	12.56	12.82	17.59	32.31
\$50,000 under \$75,000 .....	0.87	1.37	6.96	8.58	2.59	4.83	1.43	1.61	5.97	7.21	9.40	25.41
\$75,000 under \$100,000 .....	2.42	3.23	10.81	11.46	5.82	7.95	2.78	2.95	6.22	6.66	18.87	41.94
\$100,000 under \$200,000 .....	2.42	9.32	11.04	16.56	4.55	5.26	2.65	2.74	7.14	28.43	13.40	26.11
\$200,000 under \$500,000 .....	4.11	4.82	46.75	49.58	3.19	5.74	4.32	3.38	3.66	4.49	14.19	38.34
\$500,000 under \$1,000,000 .....	19.73	10.65	11.75	16.24	3.37	7.11	21.94	27.25	3.26	4.60	11.66	37.58
\$1,000,000 or more .....	0.60	1.29	7.57	3.75	2.13	3.23	0.70	0.84	1.79	2.47	6.95	4.54
<b>Taxable returns, total</b> .....	<b>0.64</b>	<b>1.06</b>	<b>4.28</b>	<b>4.53</b>	<b>1.89</b>	<b>2.54</b>	<b>1.11</b>	<b>1.07</b>	<b>3.92</b>	<b>10.99</b>	<b>6.57</b>	<b>10.39</b>
No adjusted gross income .....	18.88	20.21	63.11	55.15	24.81	37.08	26.23	23.70	76.57	48.51	51.10	29.64
\$1 under \$5,000 .....	21.16	33.45	50.22	77.93	29.18	51.99	35.88	40.86	99.26	94.16	70.70	99.17
\$5,000 under \$10,000 .....	7.10	10.94	19.30	24.50	13.88	19.25	11.47	12.26	98.21	77.30	26.98	35.34
\$10,000 under \$15,000 .....	4.24	6.55	15.04	21.68	9.87	13.08	7.96	8.83	36.09	35.79	26.32	36.32
\$15,000 under \$20,000 .....	3.57	5.34	15.17	17.78	8.18	11.47	6.48	7.11	35.56	37.16	23.91	45.29
\$20,000 under \$25,000 .....	3.07	4.26	12.09	15.53	7.03	10.00	5.32	5.66	24.31	27.21	21.57	34.61
\$25,000 under \$30,000 .....	2.48	3.57	12.12	15.54	6.24	9.32	4.51	4.89	25.04	24.67	19.88	32.08
\$30,000 under \$40,000 .....	1.70	2.49	12.39	15.66	4.82	7.01	3.10	3.40	14.27	15.92	14.91	25.27
\$40,000 under \$50,000 .....	1.89	2.11	10.41	10.58	4.55	6.20	2.86	2.90	12.64	12.94	17.59	32.31
\$50,000 under \$75,000 .....	0.88	1.37	6.96	8.58	2.59	4.84	1.43	1.61	5.98	7.23	9.44	25.44
\$75,000 under \$100,000 .....	2.42	3.24	10.81	11.46	5.83	7.98	2.78	2.95	6.23	6.66	18.87	41.94
\$100,000 under \$200,000 .....	2.42	9.32	11.04	16.56	4.55	5.26	2.65	2.74	7.14	28.43	13.41	26.12
\$200,000 under \$500,000 .....	4.12	4.83	47.07	49.86	3.19	5.76	4.33	3.39	3.66	4.49	14.24	38.82
\$500,000 under \$1,000,000 .....	19.75	10.66	11.77	16.61	3.38	7.12	21.95	27.27	3.27	4.60	11.77	37.77
\$1,000,000 or more .....	0.60	1.29	7.57	3.75	2.14	3.26	0.70	0.84	1.79	2.47	7.06	4.56
<b>Non-taxable returns, total</b> .....	<b>4.73</b>	<b>8.25</b>	<b>17.24</b>	<b>21.71</b>	<b>12.54</b>	<b>17.00</b>	<b>9.56</b>	<b>10.30</b>	<b>26.19</b>	<b>21.57</b>	<b>19.64</b>	<b>30.23</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Statutory adjustments—Continued										Excess itemized deductions			Unused zero bracket amount	
	Alimony paid		Deduction for working married couple		Foreign housing deduction		Other adjustments		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(122)	(123)	Number of returns	(124)	Amount	Number of returns	(126)	Amount			Number of returns	(128)	Amount		(132)
<b>All returns, total</b>	<b>6.38</b>	<b>6.23</b>	<b>0.84</b>	<b>0.85</b>	<b>99.23</b>	<b>71.70</b>	<b>28.26</b>	<b>29.49</b>	<b>0.59</b>	<b>1.46</b>	<b>7.61</b>	<b>7.95</b>			
No adjusted gross income	28 92	26 46	17 81	14 22	0 00	0 00	78 20	98 26	0 00	0 00	0 00	0 00	0 00	0 00	0 00
\$1 under \$5,000	52 24	57 52	15 26	23 58	0 00	0 00	0 00	0 00	10 38	18 80	8 72	8 95	0 00	8 72	8 95
\$5,000 under \$10,000	41 74	56 86	7 50	9 02	0 00	0 00	0 00	0 00	5 21	7 82	20 09	22 76	0 00	20 09	22 76
\$10,000 under \$15,000	41 28	37 62	5 44	6 39	0 00	0 00	99 97	99 97	4 20	6 15	30 88	31 23	0 00	30 88	31 23
\$15,000 under \$20,000	36 57	47 03	4 62	5 51	0 00	0 00	99 99	99 99	3 59	4 84	58 93	59 70	0 00	58 93	59 70
\$20,000 under \$25,000	20 03	23 35	3 86	4 46	0 00	0 00	99 99	99 99	3 14	3 94	0 00	0 00	0 00	0 00	0 00
\$25,000 under \$30,000	30 11	33 65	3 07	3 61	0 00	0 00	94 49	87 83	2 43	3 23	70 69	93 05	0 00	70 69	93 05
\$30,000 under \$40,000	17 60	20 58	2 09	2 45	0 00	0 00	56 75	70 95	1 57	2 09	0 00	0 00	0 00	0 00	0 00
\$40,000 under \$50,000	16 05	17 27	1 27	2 40	0 00	0 00	63 93	48 56	1 81	2 17	0 00	0 00	0 00	0 00	0 00
\$50,000 under \$75,000	8 87	11 54	1 11	1 28	99 94	99 94	32 72	35 72	0 78	1 15	0 00	0 00	0 00	0 00	0 00
\$75,000 under \$100,000	18 45	27 57	2 84	3 54	0 00	0 00	99 26	90 27	2 31	3 10	0 00	0 00	0 00	0 00	0 00
\$100,000 under \$200,000	16 99	8 18	3 54	5 14	0 97	0 97	47 60	84 40	2 12	2 52	50 01	50 27	0 00	50 01	50 27
\$200,000 under \$500,000	39 85	22 20	1 99	2 66	0 49	0 65	38 14	54 32	4 82	8 26	57 29	60 56	0 00	57 29	60 56
\$500,000 under \$1,000,000	4 65	5 75	37 33	42 69	0 97	0 97	36 24	80 74	15 55	9 73	66 38	77 62	0 00	66 38	77 62
\$1,000,000 or more	2 24	2 44	1 16	1 50	0 00	0 00	24 95	5 66	24 96	25 83	46 06	49 20	0 00	46 06	49 20
<b>Taxable returns, total</b>	<b>6.51</b>	<b>6.42</b>	<b>0.85</b>	<b>0.86</b>	<b>99.23</b>	<b>71.70</b>	<b>28.45</b>	<b>27.96</b>	<b>0.60</b>	<b>1.51</b>	<b>7.71</b>	<b>8.07</b>			
No adjusted gross income	30 71	40 69	24 10	31 53	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00	0 00
\$1 under \$5,000	99 93	99 98	99 96	99 98	0 00	0 00	0 00	0 00	34 87	30 71	8 85	9 09	0 00	8 85	9 09
\$5,000 under \$10,000	41 83	57 43	14 43	17 12	0 00	0 00	0 00	0 00	7 92	9 92	20 09	22 76	0 00	20 09	22 76
\$10,000 under \$15,000	44 42	41 97	5 84	6 95	0 00	0 00	99 97	99 97	4 74	5 92	31 83	32 85	0 00	31 83	32 85
\$15,000 under \$20,000	36 65	47 83	4 72	5 65	0 00	0 00	99 99	99 99	3 71	4 70	58 93	59 70	0 00	58 93	59 70
\$20,000 under \$25,000	20 35	24 38	3 88	4 49	0 00	0 00	99 99	99 99	3 17	3 91	0 00	0 00	0 00	0 00	0 00
\$25,000 under \$30,000	31 25	34 81	3 09	3 62	0 00	0 00	99 99	99 99	2 44	3 16	70 69	93 05	0 00	70 69	93 05
\$30,000 under \$40,000	17 61	20 64	2 09	2 45	0 00	0 00	56 75	70 95	1 57	2 03	0 00	0 00	0 00	0 00	0 00
\$40,000 under \$50,000	16 25	17 29	2 17	2 40	0 00	0 00	64 17	48 57	1 81	2 18	0 00	0 00	0 00	0 00	0 00
\$50,000 under \$75,000	8 88	11 61	1 11	1 28	99 94	99 94	32 72	35 72	0 79	1 07	0 00	0 00	0 00	0 00	0 00
\$75,000 under \$100,000	18 47	27 65	2 84	3 54	0 00	0 00	99 26	90 27	2 31	3 12	0 00	0 00	0 00	0 00	0 00
\$100,000 under \$200,000	17 00	8 19	3 54	5 14	0 97	0 97	47 65	84 44	2 13	2 54	50 01	50 27	0 00	50 01	50 27
\$200,000 under \$500,000	39 91	22 27	1 99	2 66	0 49	0 65	38 14	54 32	4 83	8 33	57 29	60 56	0 00	57 29	60 56
\$500,000 under \$1,000,000	4 66	5 76	37 34	42 71	0 97	0 97	36 24	80 74	15 57	9 84	66 38	77 62	0 00	66 38	77 62
\$1,000,000 or more	2 25	2 44	1 16	1 50	0 00	0 00	24 95	5 66	24 99	26 06	46 06	49 20	0 00	46 06	49 20
<b>Nontaxable returns, total</b>	<b>32.85</b>	<b>26.19</b>	<b>5.97</b>	<b>6.93</b>	<b>0.00</b>	<b>0.00</b>	<b>65.82</b>	<b>97.18</b>	<b>4.36</b>	<b>5.42</b>	<b>46.93</b>	<b>45.80</b>			

Footnote(s) at end of table



**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Contributions deduction for nonitemizers		Exemptions		Taxable income		Income tax before credits		Tax credits			
	Number of returns (134)	Amount (135)	Number of exemptions (136)	Amount (137)	Number of returns (138)	Amount (139)	Number of returns (140)	Amount (141)	Total		Total personal credits	
									Number of returns (142)	Amount (143)	Number of returns (144)	Amount (145)
<b>All returns, total</b>	<b>1.02</b>	<b>2.08</b>	<b>0.35</b>	<b>0.35</b>	<b>0.16</b>	<b>0.39</b>	<b>0.27</b>	<b>0.84</b>	<b>1.28</b>	<b>4.02</b>	<b>1.36</b>	<b>1.96</b>
No adjusted gross income	0.00	0.00	6.04	6.05	0.00	0.00	43.38	62.52	51.10	33.07	70.16	83.03
\$1 under \$5,000	4.13	6.71	1.88	1.88	1.78	2.16	3.39	9.35	20.44	25.54	21.99	25.30
\$5,000 under \$10,000	2.65	4.50	1.82	1.82	1.51	1.64	1.67	2.01	3.92	5.01	3.99	4.96
\$10,000 under \$15,000	2.62	4.57	1.99	1.99	1.65	1.72	1.67	1.87	4.45	6.21	4.59	6.33
\$15,000 under \$20,000	2.98	5.94	2.20	2.20	1.84	1.90	1.85	2.01	5.62	7.59	5.79	7.78
\$20,000 under \$25,000	3.57	5.97	2.37	2.37	2.04	2.09	2.05	2.19	5.26	8.05	5.43	7.76
\$25,000 under \$30,000	3.83	6.59	2.07	2.07	1.74	1.79	1.75	1.88	4.41	7.11	4.57	6.15
\$30,000 under \$40,000	3.82	6.84	1.48	1.48	1.26	1.30	1.26	1.37	3.43	6.86	3.52	4.88
\$40,000 under \$50,000	6.12	10.31	1.85	1.85	1.67	1.68	1.67	1.73	3.83	7.37	3.90	5.39
\$50,000 under \$75,000	5.23	10.43	0.86	0.86	0.73	0.78	0.73	0.86	2.20	13.12	2.08	3.06
\$75,000 under \$100,000	22.10	39.16	2.51	2.51	2.30	2.35	2.31	2.48	4.68	45.25	4.41	6.92
\$100,000 under \$200,000	11.96	28.54	2.15	2.15	2.09	2.28	2.09	2.44	4.48	15.06	4.51	4.21
\$200,000 under \$500,000	14.21	49.40	4.61	4.62	4.87	4.30	4.87	4.54	8.87	25.91	1.82	4.01
\$500,000 under \$1,000,000	12.35	31.38	14.47	14.47	15.46	13.12	15.46	12.93	24.16	4.12	1.56	3.18
\$1,000,000 or more	13.23	16.12	28.98	28.99	24.96	8.78	24.96	8.40	0.59	1.03	0.72	1.28
<b>Taxable returns, total</b>	<b>1.12</b>	<b>2.21</b>	<b>0.43</b>	<b>0.43</b>	<b>0.30</b>	<b>0.40</b>	<b>0.30</b>	<b>0.84</b>	<b>1.36</b>	<b>4.56</b>	<b>1.44</b>	<b>2.11</b>
No adjusted gross income	0.00	0.00	15.15	15.17	0.00	0.00	56.83	65.82	83.05	47.39	88.73	57.84
\$1 under \$5,000	7.53	12.12	3.48	3.48	3.44	3.51	3.43	9.42	46.60	51.66	50.46	54.28
\$5,000 under \$10,000	3.07	4.71	2.10	2.10	1.84	1.91	1.84	2.14	7.07	9.19	7.26	8.81
\$10,000 under \$15,000	2.68	4.57	2.05	2.05	1.70	1.76	1.70	1.89	4.95	7.04	5.07	7.23
\$15,000 under \$20,000	2.99	6.00	2.23	2.23	1.86	1.91	1.86	2.02	5.84	7.86	5.91	7.97
\$20,000 under \$25,000	3.58	5.98	2.38	2.38	2.05	2.09	2.05	2.20	5.33	7.67	5.43	7.76
\$25,000 under \$30,000	3.84	6.61	2.08	2.08	1.75	1.79	1.75	1.89	4.46	6.71	4.57	6.16
\$30,000 under \$40,000	3.82	6.86	1.48	1.48	1.26	1.30	1.26	1.38	3.45	6.02	3.53	4.89
\$40,000 under \$50,000	6.14	10.33	1.86	1.85	1.67	1.68	1.67	1.74	3.84	7.22	3.90	5.39
\$50,000 under \$75,000	5.23	10.43	0.86	0.86	0.73	0.78	0.73	0.86	2.21	13.25	2.09	3.06
\$75,000 under \$100,000	22.10	39.16	2.51	2.51	2.31	2.36	2.31	2.48	4.68	45.56	4.41	6.92
\$100,000 under \$200,000	11.96	28.54	2.16	2.16	2.09	2.28	2.09	2.44	4.48	15.09	4.51	4.21
\$200,000 under \$500,000	14.38	49.49	4.62	4.62	4.87	4.30	4.87	4.55	8.88	26.86	1.82	4.01
\$500,000 under \$1,000,000	12.41	31.40	14.49	14.50	15.47	13.12	15.47	12.94	24.18	4.31	1.56	3.18
\$1,000,000 or more	13.23	16.12	29.04	29.04	24.98	8.79	24.97	8.41	0.59	1.10	0.72	1.28
<b>Nontaxable returns, total</b>	<b>3.53</b>	<b>6.77</b>	<b>1.63</b>	<b>1.63</b>	<b>1.65</b>	<b>2.50</b>	<b>4.04</b>	<b>6.62</b>	<b>4.04</b>	<b>6.62</b>	<b>4.26</b>	<b>5.70</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits—Continued											
	Total personal credits—Continued						Foreign tax credit					
	Child care credit		Credit for the elderly and disabled		Political contributions credit		Mortgage interest credit		Earned income credit used to offset income tax before credits		Number of returns	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(146)	(147)	(148)	(149)	(150)	(151)	(152)	(153)	(154)	(155)	(156)	(157)
<b>All returns, total</b>	<b>1.85</b>	<b>2.27</b>	<b>10.49</b>	<b>13.11</b>	<b>2.34</b>	<b>2.52</b>	<b>98.34</b>	<b>98.31</b>	<b>4.20</b>	<b>5.23</b>	<b>5.00</b>	<b>33.38</b>
No adjusted gross income	99 13	99 13	0 00	0 00	83 58	52 64	0 00	0 00	0 00	0 00	0 00	0 00
\$1 under \$5,000	70 70	70 98	57 72	64 00	41 09	45 25	0 00	0 00	32 03	35 73	99 99	99 99
\$5,000 under \$10,000	8 00	9 63	13 68	17 45	14 51	15 96	0 00	0 00	4 90	5 77	99 99	99 99
\$10,000 under \$15,000	6 34	7 27	19 80	21 99	10 70	12 46	0 00	0 00	8 66	10 23	38 99	71 57
\$15,000 under \$20,000	6 69	8 18	33 94	43 89	11 90	13 91	99 99	99 99	0 00	0 00	70 08	78 44
\$20,000 under \$25,000	6 35	8 04	0 00	0 00	10 31	12 53	0 00	0 00	0 00	0 00	99 98	99 99
\$25,000 under \$30,000	5 23	6 43	0 00	0 00	9 31	11 03	0 00	0 00	0 00	0 00	44 95	59 94
\$30,000 under \$40,000	4 24	5 16	0 00	0 00	6 32	7 52	0 00	0 00	0 00	0 00	35 75	88 09
\$40,000 under \$50,000	4 72	5 73	0 00	0 00	6 60	7 83	0 00	0 00	0 00	0 00	31 82	89 47
\$50,000 under \$75,000	2 79	3 35	0 00	0 00	3 19	3 89	0 00	0 00	0 00	0 00	36 96	80 89
\$75,000 under \$100,000	8 64	8 40	0 00	0 00	5 05	5 20	0 00	0 00	0 00	0 00	43 12	98 30
\$100,000 under \$200,000	4 90	5 71	0 00	0 00	5 27	5 81	71 21	88 16	0 00	0 00	36 96	57 95
\$200,000 under \$500,000	6 49	7 56	0 00	0 00	1 91	2 09	83 13	75 37	0 00	0 00	50 30	85 98
\$500,000 under \$1,000,000	7 10	7 96	0 00	0 00	1 60	1 71	58 54	0 72	0 00	0 00	97 52	14 95
\$1,000,000 or more	5 22	5 83	0 00	0 00	0 72	0 76	20 33	27 01	0 00	0 00	0 04	0 48
<b>Taxable returns, total</b>	<b>1.91</b>	<b>2.36</b>	<b>14.10</b>	<b>17.77</b>	<b>2.35</b>	<b>2.53</b>	<b>†</b>	<b>†</b>	<b>6.40</b>	<b>7.88</b>	<b>5.70</b>	<b>37.91</b>
No adjusted gross income	0 00	0 00	0 00	0 00	88 73	61 48	0 00	0 00	0 00	0 00	0 00	0 00
\$1 under \$5,000	0 00	0 00	0 00	0 00	50 46	54 28	0 00	0 00	0 00	0 00	99 99	99 99
\$5,000 under \$10,000	19 32	24 05	21 44	28 20	16 31	17 64	0 00	0 00	9 15	9 83	99 99	99 99
\$10,000 under \$15,000	7 40	8 50	22 50	25 31	10 87	12 66	0 00	0 00	9 04	10 51	43 12	82 43
\$15,000 under \$20,000	6 85	8 35	33 94	43 89	11 90	13 92	†	†	0 00	0 00	70 08	78 44
\$20,000 under \$25,000	6 35	8 04	0 00	0 00	10 32	12 58	0 00	0 00	0 00	0 00	99 99	99 99
\$25,000 under \$30,000	5 23	6 43	0 00	0 00	9 31	11 03	0 00	0 00	0 00	0 00	44 95	59 94
\$30,000 under \$40,000	4 25	5 18	0 00	0 00	6 34	7 55	0 00	0 00	0 00	0 00	38 99	58 54
\$40,000 under \$50,000	4 72	5 73	0 00	0 00	6 60	7 83	0 00	0 00	0 00	0 00	31 82	89 47
\$50,000 under \$75,000	2 79	3 35	0 00	0 00	3 19	3 89	0 00	0 00	0 00	0 00	36 96	80 89
\$75,000 under \$100,000	8 64	8 40	0 00	0 00	5 05	5 20	0 00	0 00	0 00	0 00	43 12	98 30
\$100,000 under \$200,000	4 90	5 71	0 00	0 00	5 28	5 82	†	†	0 00	0 00	36 96	57 97
\$200,000 under \$500,000	6 49	7 56	0 00	0 00	1 91	2 09	†	†	0 00	0 00	50 62	97 54
\$500,000 under \$1,000,000	7 10	7 96	0 00	0 00	1 60	1 71	†	†	0 00	0 00	97 86	37 21
\$1,000,000 or more	5 22	5 83	0 00	0 00	0 72	0 76	†	†	0 00	0 00	0 04	0 05
<b>Non taxable returns, total</b>	<b>6.88</b>	<b>8.52</b>	<b>15.75</b>	<b>19.47</b>	<b>24.76</b>	<b>27.58</b>	<b>†</b>	<b>†</b>	<b>5.65</b>	<b>7.08</b>	<b>69.10</b>	<b>28.49</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Tax credits—Continued											
	General business credits						Alcohol fuel credit			Low-income housing credit		
	Total		Investment credit 1		Jobs credit		Amount		Number of returns	Amount		Number of returns
	Number of returns (159)	Amount (159)	Number of returns (160)	Amount (161)	Number of returns (162)	Amount (163)	Number of returns (164)	Amount (165)		Number of returns (166)	Amount (167)	
<b>All returns, total</b> .....	<b>5.18</b>	<b>3.91</b>	<b>5.25</b>	<b>8.88</b>	<b>28.18</b>	<b>15.73</b>	<b>85.36</b>	<b>51.76</b>	<b>31.51</b>	<b>26.06</b>	<b>8.15</b>	<b>6.82</b>
No adjusted gross income .....	28.49	36.17	24.06	18.25	20.09	46.45	0.00	0.00	90.22	79.08	52.61	44.42
\$1 under \$5,000 .....	70.58	79.24	36.58	42.31	0.00	0.00	0.00	0.00	0.69	0.73	99.99	99.99
\$5,000 under \$10,000 .....	27.39	44.78	23.90	53.78	0.00	0.00	0.00	0.00	99.98	99.98	27.38	37.42
\$10,000 under \$15,000 .....	28.36	43.19	31.09	52.83	70.82	78.56	0.00	0.00	99.97	99.97	26.42	28.89
\$15,000 under \$20,000 .....	30.98	42.12	29.09	48.36	0.00	0.00	0.00	0.00	99.92	99.92	27.32	29.34
\$20,000 under \$25,000 .....	22.93	35.41	25.23	41.60	98.61	93.84	0.00	0.00	72.61	93.41	34.16	39.03
\$25,000 under \$30,000 .....	23.32	39.09	24.98	36.73	0.00	0.00	0.00	0.00	99.13	99.13	22.27	27.17
\$30,000 under \$40,000 .....	16.48	30.76	17.00	59.77	99.26	1.30	0.00	0.00	72.41	81.14	20.98	25.91
\$40,000 under \$50,000 .....	17.91	47.09	17.78	29.81	72.89	75.92	0.00	0.00	0.00	0.00	25.50	37.96
\$50,000 under \$75,000 .....	8.87	17.65	9.49	27.39	38.43	45.00	0.00	0.00	46.16	51.29	14.19	21.18
\$75,000 under \$100,000 .....	9.63	15.97	9.72	24.02	32.72	75.52	99.79	99.79	53.65	61.87	17.07	23.09
\$100,000 under \$200,000 .....	4.69	8.87	4.85	10.50	28.44	60.33	83.94	83.47	38.58	44.87	9.72	16.81
\$200,000 under \$500,000 .....	3.29	6.87	3.41	7.35	14.20	25.00	81.66	0.00	28.69	26.11	5.94	10.72
\$500,000 under \$1,000,000 .....	2.33	5.15	2.41	7.11	9.12	19.43	59.02	65.51	24.52	19.67	4.15	7.61
\$1,000,000 or more .....	0.95	1.44	0.99	1.86	2.65	5.84	27.01	27.32	9.50	12.73	1.79	2.62
<b>Taxable returns, total</b> .....	<b>5.27</b>	<b>3.73</b>	<b>5.44</b>	<b>10.29</b>	<b>15.22</b>	<b>17.27</b>	<b>85.36</b>	<b>51.76</b>	<b>45.50</b>	<b>21.25</b>	<b>9.78</b>	<b>7.13</b>
No adjusted gross income .....	27.90	46.63	42.66	13.88	55.86	9.00	0.00	0.00	56.42	79.65	49.00	68.83
\$1 under \$5,000 .....	0.00	0.00	67.99	53.52	0.00	0.00	0.00	0.00	0.69	0.73	0.00	0.00
\$5,000 under \$10,000 .....	38.86	65.70	41.40	63.63	0.00	0.00	0.00	0.00	0.00	0.00	45.78	53.59
\$10,000 under \$15,000 .....	32.29	60.31	35.72	65.66	0.00	0.00	0.00	0.00	0.00	0.00	36.76	37.16
\$15,000 under \$20,000 .....	37.92	46.11	35.35	71.96	0.00	0.00	0.00	0.00	0.00	0.00	51.38	60.22
\$20,000 under \$25,000 .....	25.99	39.60	27.79	42.88	99.75	99.75	0.00	0.00	0.00	0.00	54.70	63.26
\$25,000 under \$30,000 .....	23.41	39.14	25.84	46.53	0.00	0.00	0.00	0.00	99.13	99.13	29.13	39.62
\$30,000 under \$40,000 .....	17.22	29.59	17.82	76.50	99.26	1.30	0.00	0.00	73.01	81.73	24.38	30.47
\$40,000 under \$50,000 .....	18.00	47.16	17.80	31.20	72.89	75.92	0.00	0.00	0.00	0.00	27.87	43.73
\$50,000 under \$75,000 .....	8.99	18.22	9.65	28.84	40.13	48.75	0.00	0.00	51.55	59.69	14.28	21.23
\$75,000 under \$100,000 .....	9.66	15.99	9.75	24.61	32.72	75.52	99.79	99.79	53.74	61.88	17.24	23.71
\$100,000 under \$200,000 .....	4.70	8.89	4.86	10.52	26.54	60.34	83.94	83.47	33.62	45.51	9.75	16.88
\$200,000 under \$500,000 .....	3.29	6.87	3.41	7.37	14.24	25.07	81.66	0.00	28.87	26.83	5.94	10.72
\$500,000 under \$1,000,000 .....	2.33	5.15	2.41	7.15	9.18	19.82	59.02	65.51	25.16	20.32	4.15	7.61
\$1,000,000 or more .....	0.95	1.44	0.99	1.86	2.65	5.84	27.01	27.32	9.50	12.73	1.79	2.62
<b>Non-taxable returns, total</b> .....	<b>20.06</b>	<b>31.52</b>	<b>14.21</b>	<b>17.63</b>	<b>65.83</b>	<b>38.10</b>	<b>0.00</b>	<b>0.00</b>	<b>42.67</b>	<b>52.12</b>	<b>14.73</b>	<b>17.76</b>

Footnote(s) at end of table.



**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Income tax after personal credits		Income tax after credits		Alternative minimum tax preferences (Form 6251)		Alternative minimum tax preferences for returns with alternative minimum tax		Alternative minimum tax		Total income tax	
	Number of returns (170)	Amount (171)	Number of returns (172)	Amount (173)	Number of returns (174)	Amount (175)	Number of returns (176)	Amount (177)	Number of returns (178)	Amount (179)	Number of returns (180)	Amount (181)
<b>All returns, total</b>	<b>0.30</b>	<b>0.85</b>	<b>0.30</b>	<b>0.86</b>	<b>2.10</b>	<b>6.46</b>	<b>4.95</b>	<b>10.65</b>	<b>4.89</b>	<b>12.68</b>	<b>0.30</b>	<b>1.02</b>
No adjusted gross income	47 18	62 79	59 41	70 69	10 31	3 38	19 21	6 00	18 94	5 67	18 29	5 70
\$1 under \$5,000	3 43	9 41	3 43	9 43	20 05	27 58	46 16	33 67	46 16	35 01	3 43	9 20
\$5,000 under \$10,000	1 84	2 17	1 84	2 17	20 70	26 89	53 23	46 23	53 23	49 98	1 84	2 17
\$10,000 under \$15,000	1 70	1 93	1 70	1 93	20 26	31 73	50 85	45 33	50 85	34 33	1 70	1 93
\$15,000 under \$20,000	1 85	2 04	1 86	2 04	17 47	24 21	42 22	47 37	42 12	60 19	1 86	2 04
\$20,000 under \$25,000	2 05	2 21	2 05	2 22	15 69	19 98	36 94	31 61	34 91	28 81	2 05	2 22
\$25,000 under \$30,000	1 75	1 90	1 75	1 90	13 26	18 22	35 72	31 49	35 72	28 92	1 75	1 90
\$30,000 under \$40,000	1 26	1 38	1 26	1 38	8 88	13 88	20 20	18 96	20 20	20 78	1 26	1 38
\$40,000 under \$50,000	1 67	1 74	1 67	1 74	6 67	13 14	19 47	19 28	18 52	20 00	1 67	1 74
\$50,000 under \$75,000	0 73	0 86	0 73	0 84	3 28	6 11	9 82	9 11	9 60	9 25	0 73	0 84
\$75,000 under \$100,000	2 31	2 48	2 31	2 40	4 96	8 74	13 13	12 69	12 71	12 52	2 30	2 42
\$100,000 under \$200,000	2 09	2 44	2 09	2 42	3 55	8 47	9 64	12 88	9 44	11 25	2 08	2 52
\$200,000 under \$500,000	4 87	4 55	4 88	4 48	6 12	2 53	2 93	3 15	2 92	3 40	4 86	4 30
\$500,000 under \$1,000,000	15 46	12 93	15 48	13 09	18 63	5 51	2 26	2 35	2 25	2 72	15 40	12 62
\$1,000,000 or more	24 96	8 40	24 98	8 55	27 59	16 87	51 99	26 65	51 83	46 89	24 89	10 89
<b>Taxable returns, total</b>	<b>0.30</b>	<b>0.85</b>	<b>0.30</b>	<b>0.86</b>	<b>2.13</b>	<b>6.66</b>	<b>4.95</b>	<b>10.65</b>	<b>4.89</b>	<b>12.68</b>	<b>0.30</b>	<b>1.02</b>
No adjusted gross income	57 69	65 83	59 41	70 69	18 82	5 98	19 21	6 00	18 94	5 67	18 29	5 70
\$1 under \$5,000	3 43	9 43	3 43	9 43	42 41	31 75	46 16	33 67	46 16	35 01	3 43	9 20
\$5,000 under \$10,000	1 84	2 18	1 84	2 17	30 04	34 14	53 23	46 23	53 23	49 98	1 84	2 17
\$10,000 under \$15,000	1 70	1 93	1 70	1 93	24 09	35 11	50 85	45 33	50 85	34 33	1 70	1 93
\$15,000 under \$20,000	1 86	2 04	1 86	2 04	19 49	27 73	42 22	47 37	42 12	60 19	1 86	2 04
\$20,000 under \$25,000	2 05	2 22	2 05	2 22	16 47	20 83	36 94	31 61	34 91	28 81	2 05	2 22
\$25,000 under \$30,000	1 75	1 90	1 75	1 90	13 89	19 01	35 72	31 49	35 72	28 92	1 75	1 90
\$30,000 under \$40,000	1 26	1 38	1 26	1 38	9 00	14 05	20 20	18 96	20 20	20 78	1 26	1 38
\$40,000 under \$50,000	1 67	1 74	1 67	1 74	6 71	13 21	19 47	19 28	18 52	20 00	1 67	1 74
\$50,000 under \$75,000	0 73	0 86	0 73	0 84	3 30	6 14	9 82	9 11	9 60	9 25	0 73	0 84
\$75,000 under \$100,000	2 31	2 48	2 31	2 40	4 98	8 77	13 13	12 69	12 71	12 52	2 30	2 42
\$100,000 under \$200,000	2 09	2 44	2 09	2 42	3 56	8 49	9 64	12 88	9 44	11 25	2 08	2 52
\$200,000 under \$500,000	4 88	4 55	4 88	4 48	6 13	2 53	2 93	3 15	2 92	3 40	4 86	4 30
\$500,000 under \$1,000,000	15 47	12 94	15 48	13 09	18 66	5 51	2 26	2 35	2 25	2 72	15 40	12 62
\$1,000,000 or more	24 97	8 41	24 98	8 55	27 62	16 88	51 99	26 65	51 83	46 89	24 89	10 89
<b>Nontaxable returns, total</b>	<b>12.12</b>	<b>13.71</b>	<b>0.00</b>	<b>0.00</b>	<b>10.34</b>	<b>4.37</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Self-employment tax		Penalty tax on Individual Retirement Arrangements		Earned income credit used to offset all other taxes		Total tax liability		Taxpayments			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total		Income tax withheld	
									Number of returns	Amount	Number of returns	Amount
	(182)	(183)	(184)	(185)	(186)	(187)	(188)	(189)	(190)	(191)	(192)	(193)
<b>All returns, total</b>	<b>1.10</b>	<b>1.66</b>	<b>7.86</b>	<b>8.83</b>	<b>6.74</b>	<b>7.72</b>	<b>0.28</b>	<b>0.99</b>	<b>0.19</b>	<b>0.68</b>	<b>0.25</b>	<b>0.42</b>
No adjusted gross income	12.61	11.89	43.38	38.79	25.84	31.23	11.06	6.06	7.82	5.46	9.37	7.61
\$1 under \$5,000	5.84	7.41	45.65	50.37	11.79	13.02	3.05	6.63	1.75	3.14	1.79	2.98
\$5,000 under \$10,000	4.69	5.73	37.70	39.19	9.04	10.35	1.78	2.15	1.65	1.98	1.75	2.08
\$10,000 under \$15,000	5.35	6.60	36.60	43.74	41.66	45.42	1.69	1.89	1.69	1.88	1.79	1.98
\$15,000 under \$20,000	5.20	6.44	36.65	47.09	0.00	0.00	1.85	2.00	1.87	2.00	1.98	2.16
\$20,000 under \$25,000	5.15	6.89	38.95	47.52	0.00	0.00	2.05	2.17	2.07	2.19	2.16	2.32
\$25,000 under \$30,000	4.85	6.68	29.32	32.53	0.00	0.00	1.75	1.87	1.75	1.87	1.82	1.97
\$30,000 under \$40,000	3.55	5.28	19.79	25.29	0.00	0.00	1.26	1.37	1.27	1.37	1.32	1.44
\$40,000 under \$50,000	4.26	5.57	20.06	24.78	0.00	0.00	1.67	1.72	1.68	1.74	1.73	1.82
\$50,000 under \$75,000	2.68	3.36	9.96	11.95	0.00	0.00	0.73	0.84	0.74	0.81	0.80	0.88
\$75,000 under \$100,000	4.11	4.92	19.22	22.38	0.00	0.00	2.30	2.38	2.31	2.63	2.38	2.62
\$100,000 under \$200,000	5.81	9.27	16.65	40.27	0.00	0.00	2.08	2.52	2.09	2.79	2.17	3.38
\$200,000 under \$500,000	2.52	3.22	23.05	34.79	0.00	0.00	4.85	4.26	4.88	4.70	4.05	5.56
\$500,000 under \$1,000,000	45.20	66.07	23.38	44.52	0.00	0.00	15.39	12.97	15.48	21.78	1.03	1.62
\$1,000,000 or more	1.24	1.57	11.57	61.72	0.00	0.00	24.88	10.87	24.95	3.14	0.54	0.83
<b>Taxable returns, total</b>	<b>1.31</b>	<b>1.81</b>	<b>8.19</b>	<b>9.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.30</b>	<b>0.99</b>	<b>0.32</b>	<b>0.70</b>	<b>0.37</b>	<b>0.43</b>
No adjusted gross income	29.97	32.29	80.67	43.14	0.00	0.00	18.29	5.76	17.45	7.35	23.67	12.24
\$1 under \$5,000	15.67	16.73	0.00	0.00	0.00	0.00	3.43	8.41	3.94	5.50	4.04	5.44
\$5,000 under \$10,000	6.63	7.84	41.96	43.77	0.00	0.00	1.84	2.19	1.98	2.24	2.10	2.37
\$10,000 under \$15,000	5.84	7.23	47.13	52.46	0.00	0.00	1.70	1.91	1.75	1.92	1.85	2.03
\$15,000 under \$20,000	5.42	6.76	38.48	49.67	0.00	0.00	1.86	2.01	1.89	2.03	2.00	2.18
\$20,000 under \$25,000	5.25	7.14	38.95	47.52	0.00	0.00	2.05	2.18	2.08	2.20	2.17	2.32
\$25,000 under \$30,000	4.71	6.75	29.32	32.53	0.00	0.00	1.75	1.88	1.76	1.88	1.83	1.97
\$30,000 under \$40,000	3.58	5.38	19.84	25.56	0.00	0.00	1.26	1.37	1.27	1.37	1.32	1.44
\$40,000 under \$50,000	4.29	5.63	20.07	24.79	0.00	0.00	1.67	1.72	1.68	1.74	1.74	1.82
\$50,000 under \$75,000	2.68	3.37	9.97	11.98	0.00	0.00	0.73	0.84	0.74	0.81	0.80	0.88
\$75,000 under \$100,000	4.13	4.93	19.23	22.38	0.00	0.00	2.30	2.38	2.31	2.63	2.38	2.62
\$100,000 under \$200,000	5.83	9.29	16.66	40.31	0.00	0.00	2.08	2.52	2.10	2.79	2.17	3.38
\$200,000 under \$500,000	2.52	3.23	23.30	39.19	0.00	0.00	4.86	4.26	4.89	4.70	4.05	5.56
\$500,000 under \$1,000,000	45.26	66.12	23.38	44.52	0.00	0.00	15.40	12.97	15.50	21.79	1.04	1.62
\$1,000,000 or more	1.25	1.57	11.57	61.72	0.00	0.00	24.89	10.87	24.98	3.14	0.54	0.83
<b>Non-taxable returns, total</b>	<b>3.82</b>	<b>5.23</b>	<b>25.85</b>	<b>28.04</b>	<b>6.74</b>	<b>7.72</b>	<b>3.90</b>	<b>5.80</b>	<b>1.57</b>	<b>2.68</b>	<b>1.64</b>	<b>2.76</b>

Footnote(s) at end of table

**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Taxpayments—Continued				Earned income credit, refundable portion				Advance earned income credit payments	
	Estimated tax payments		Windfall profit tax overpayment		All other taxpayments 3		Number of returns		Amount	
	(194)	(195)	(196)	(197)	(198)	(199)	(200)	(201)	(202)	(203)
<b>All returns, total</b>	<b>1.52</b>	<b>3.74</b>	<b>18.73</b>	<b>23.71</b>	<b>2.78</b>	<b>2.10</b>	<b>3.06</b>	<b>3.50</b>	<b>69.81</b>	<b>76.30</b>
No adjusted gross income	15.48	10.43	29.10	23.07	15.97	6.90	33.45	35.44	15.50	20.50
\$1 under \$5,000	9.81	15.18	99.13	99.13	18.81	22.41	4.95	5.59	0.00	0.00
\$5,000 under \$10,000	5.43	6.59	51.35	68.10	15.48	25.89	4.13	4.64	0.00	0.00
\$10,000 under \$15,000	5.23	6.16	99.97	99.08	20.20	24.92	18.66	20.81	0.00	0.00
\$15,000 under \$20,000	5.20	5.80	93.89	0.00	16.07	22.39	0.00	0.00	0.00	0.00
\$20,000 under \$25,000	5.55	6.46	65.93	92.68	16.22	32.72	0.00	0.00	0.00	0.00
\$25,000 under \$30,000	5.67	6.92	72.97	89.76	13.82	20.83	0.00	0.00	0.00	0.00
\$30,000 under \$40,000	4.56	5.68	90.49	91.67	11.91	15.95	0.00	0.00	0.00	0.00
\$40,000 under \$50,000	4.98	6.34	54.58	88.86	8.45	13.15	0.00	0.00	0.00	0.00
\$50,000 under \$75,000	2.62	3.10	30.03	56.48	3.82	6.77	0.00	0.00	99.94	99.94
\$75,000 under \$100,000	4.65	6.37	39.89	45.71	5.99	17.76	0.00	0.00	99.75	99.75
\$100,000 under \$200,000	3.65	3.67	16.15	63.30	7.20	13.11	0.00	0.00	99.75	99.75
\$200,000 under \$500,000	6.96	9.98	12.03	34.79	9.66	3.65	0.00	0.00	83.94	5.09
\$500,000 under \$1,000,000	21.29	40.95	8.52	10.92	1.67	2.41	0.00	0.00	93.40	93.40
\$1,000,000 or more	30.45	7.41	3.89	3.15	0.73	0.47	0.00	0.00	0.46	0.80
<b>Taxable returns, total</b>	<b>1.58</b>	<b>3.81</b>	<b>18.05</b>	<b>27.18</b>	<b>2.89</b>	<b>2.12</b>	<b>0.00</b>	<b>0.00</b>	<b>70.05</b>	<b>77.58</b>
No adjusted gross income	23.41	14.66	49.40	8.82	24.59	8.63	0.00	0.00	0.00	0.00
\$1 under \$5,000	16.64	26.91	99.13	99.13	41.06	41.21	0.00	0.00	0.00	0.00
\$5,000 under \$10,000	6.26	7.28	0.00	0.00	24.43	35.75	0.00	0.00	0.00	0.00
\$10,000 under \$15,000	5.36	6.29	99.97	99.08	22.62	29.01	0.00	0.00	0.00	0.00
\$15,000 under \$20,000	5.28	5.92	93.89	0.00	17.56	23.51	0.00	0.00	0.00	0.00
\$20,000 under \$25,000	5.60	6.51	98.30	72.65	17.26	35.58	0.00	0.00	0.00	0.00
\$25,000 under \$30,000	5.72	6.98	96.96	74.50	14.35	21.18	0.00	0.00	0.00	0.00
\$30,000 under \$40,000	4.59	5.74	90.49	91.67	12.18	16.50	0.00	0.00	0.00	0.00
\$40,000 under \$50,000	4.99	6.37	55.35	94.83	8.51	13.46	0.00	0.00	0.00	0.00
\$50,000 under \$75,000	2.63	3.11	30.05	56.49	3.82	6.80	0.00	0.00	99.94	99.94
\$75,000 under \$100,000	4.67	6.39	39.89	45.71	6.00	17.78	0.00	0.00	99.75	99.75
\$100,000 under \$200,000	3.66	3.67	16.15	63.30	7.22	13.13	0.00	0.00	99.75	99.75
\$200,000 under \$500,000	6.97	9.98	12.08	34.81	9.67	3.66	0.00	0.00	83.94	5.09
\$500,000 under \$1,000,000	21.32	40.96	8.53	10.93	1.68	2.41	0.00	0.00	93.40	93.40
\$1,000,000 or more	30.46	7.41	3.90	3.15	0.73	0.47	0.00	0.00	0.46	0.80
<b>Nontaxable returns, total</b>	<b>6.48</b>	<b>7.53</b>	<b>40.85</b>	<b>26.46</b>	<b>9.18</b>	<b>9.23</b>	<b>3.06</b>	<b>3.50</b>	<b>15.50</b>	<b>20.50</b>

Footnote(s) at end of table



**Table 1.4CV.—Coefficient of Variation for Sources of Income and Adjustments by Size of Adjusted Gross Income—Continued**  
(Coefficient of variation for number of returns and amount (percent))

Size of adjusted gross income	Overpayment				Tax due at time of filing		Predetermined estimated tax penalty	
	Total		Refunded		Number of returns	Amount	Number of returns	Amount
	(204)	(205)	(206)	(207)				
<b>All returns, total</b>	<b>0.32</b>	<b>1.08</b>	<b>0.35</b>	<b>0.71</b>	<b>1.08</b>	<b>4.81</b>	<b>3.23</b>	<b>4.87</b>
No adjusted gross income	8.35	6.54	8.76	7.22	14.70	9.93	25.64	18.74
\$1 under \$5,000	1.76	2.94	1.77	2.90	4.94	11.46	31.17	39.36
\$5,000 under \$10,000	1.75	2.37	1.78	2.40	3.76	5.24	13.43	15.79
\$10,000 under \$15,000	1.86	2.52	1.91	2.54	4.15	5.75	11.13	13.18
\$15,000 under \$20,000	2.12	2.73	2.16	2.79	4.21	6.15	11.47	14.99
\$20,000 under \$25,000	2.35	3.06	2.41	3.10	4.46	6.48	11.48	16.18
\$25,000 under \$30,000	2.03	2.73	2.08	2.77	4.27	6.57	12.61	17.16
\$30,000 under \$40,000	1.56	2.20	1.60	2.17	3.16	5.14	8.44	11.17
\$40,000 under \$50,000	2.04	2.72	2.08	2.66	3.41	5.31	9.25	15.35
\$50,000 under \$75,000	1.04	1.60	1.09	1.66	1.89	3.01	5.99	8.37
\$75,000 under \$100,000	3.46	6.26	3.48	5.90	3.18	5.00	9.62	10.75
\$100,000 under \$200,000	3.46	5.65	3.51	7.76	3.01	3.27	4.00	20.49
\$200,000 under \$500,000	7.88	5.94	10.09	4.01	6.34	3.65	3.30	6.79
\$500,000 under \$1,000,000	33.62	52.30	42.92	4.26	1.23	1.76	2.96	5.37
\$1,000,000 or more	0.82	0.85	1.17	1.74	36.66	24.98	1.69	4.57
<b>Taxable returns, total</b>	<b>0.47</b>	<b>1.18</b>	<b>0.49</b>	<b>0.77</b>	<b>1.13</b>	<b>4.87</b>	<b>3.33</b>	<b>4.77</b>
No adjusted gross income	24.72	12.93	29.32	16.43	26.96	10.78	25.40	15.63
\$1 under \$5,000	4.13	5.84	4.16	5.54	6.49	17.94	41.52	41.00
\$5,000 under \$10,000	2.15	2.75	2.18	2.78	4.12	5.81	16.04	18.73
\$10,000 under \$15,000	1.93	2.56	1.98	2.59	4.26	5.95	11.73	13.82
\$15,000 under \$20,000	2.14	2.78	2.19	2.84	4.29	6.33	12.08	15.75
\$20,000 under \$25,000	2.36	3.07	2.42	3.11	4.49	6.54	11.79	16.82
\$25,000 under \$30,000	2.04	2.73	2.09	2.77	4.29	6.64	12.84	17.49
\$30,000 under \$40,000	1.56	2.21	1.60	2.18	3.17	5.17	8.51	11.24
\$40,000 under \$50,000	2.04	2.72	2.08	2.66	3.41	5.32	9.31	15.42
\$50,000 under \$75,000	1.04	1.60	1.09	1.66	1.89	3.01	6.01	8.41
\$75,000 under \$100,000	3.46	6.29	3.49	5.92	3.18	5.00	9.63	10.76
\$100,000 under \$200,000	3.47	5.69	3.52	7.82	3.01	3.80	4.00	20.49
\$200,000 under \$500,000	7.91	5.98	10.13	4.05	6.34	3.65	3.30	6.79
\$500,000 under \$1,000,000	33.71	52.46	43.02	4.31	1.23	1.76	2.96	5.37
\$1,000,000 or more	0.83	0.86	1.17	1.78	36.66	24.98	1.69	4.58
<b>Nontaxable returns, total</b>	<b>1.58</b>	<b>2.47</b>	<b>1.60</b>	<b>2.50</b>	<b>4.81</b>	<b>7.78</b>	<b>13.84</b>	<b>14.52</b>

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

1 Includes business energy investment credits.

2 This field has Form 3800 data where we did not receive back-up schedules.

3 Consists of excess social security tax withheld, payments with request for extension of filing time, credit for tax on certain gasoline, fuel, and oil, and credit from regulated investment companies.

**Table 1.5—Form 1040EZ Returns: Sources of Income and Tax Items, by Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Contributions deduction for nonitemizers	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>All returns, total</b> .....	<b>16,550,653</b>	<b>133,925,890</b>	<b>16,507,742</b>	<b>133,516,060</b>	<b>5,123,099</b>	<b>409,831</b>	<b>4,931,275</b>	<b>1,059,323</b>
Under \$5,000 .....	7,227,657	18,064,893	7,184,746	17,930,819	1,830,752	134,075	1,082,231	112,086
\$5,000 under \$10,000 .....	4,023,851	29,973,992	4,023,851	29,888,591	1,129,917	85,401	1,392,135	302,492
\$10,000 under \$15,000 .....	2,636,474	32,381,449	2,636,474	32,310,564	967,828	70,886	1,120,388	266,183
\$15,000 under \$20,000 .....	1,663,890	28,671,481	1,663,890	28,614,909	648,394	56,572	796,188	213,170
\$20,000 under \$25,000 .....	638,867	14,289,395	638,867	14,252,546	324,203	36,849	338,510	97,857
\$25,000 under \$30,000 .....	242,184	6,529,456	242,184	6,512,977	161,458	16,479	124,455	34,213
\$30,000 under \$40,000 .....	107,639	3,573,284	107,639	3,565,682	50,456	7,602	70,641	31,796
\$40,000 or more .....	*10,091	*441,940	*10,091	*439,973	*10,091	*1,968	*6,727	*1,527
<b>Taxable returns, total</b> .....	<b>11,077,470</b>	<b>123,404,047</b>	<b>11,077,470</b>	<b>123,085,920</b>	<b>3,869,232</b>	<b>318,127</b>	<b>4,235,216</b>	<b>978,195</b>
Under \$5,000 .....	1,764,010	7,600,362	1,764,010	7,557,991	576,885	42,371	395,708	56,706
\$5,000 under \$10,000 .....	4,014,315	29,916,680	4,014,315	29,831,280	1,129,917	85,401	1,382,599	276,744
\$10,000 under \$15,000 .....	2,636,474	32,381,449	2,636,474	32,310,564	967,828	70,886	1,120,388	266,183
\$15,000 under \$20,000 .....	1,663,890	28,671,481	1,663,890	28,614,909	648,394	56,572	796,188	213,170
\$20,000 under \$25,000 .....	638,867	14,289,395	638,867	14,252,546	324,203	36,849	338,510	97,857
\$25,000 under \$30,000 .....	242,184	6,529,456	242,184	6,512,977	161,458	16,479	124,455	34,213
\$30,000 under \$40,000 .....	107,639	3,573,284	107,639	3,565,682	50,456	7,602	70,641	31,796
\$40,000 or more .....	*10,091	*441,940	*10,091	*439,973	*10,091	*1,968	*6,727	*1,527
<b>Nontaxable returns, total</b> .....	<b>5,473,183</b>	<b>10,521,843</b>	<b>5,430,272</b>	<b>10,430,139</b>	<b>1,253,867</b>	<b>91,704</b>	<b>696,059</b>	<b>81,128</b>

Size of adjusted gross income	Taxable income		Total income tax		Income tax withheld		Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
<b>All returns, total</b> .....	<b>15,187,117</b>	<b>115,601,418</b>	<b>11,077,470</b>	<b>12,898,872</b>	<b>16,021,455</b>	<b>16,909,033</b>	<b>15,467,583</b>	<b>4,164,644</b>	<b>711,199</b>	<b>154,484</b>
Under \$5,000 .....	5,864,121	10,754,586	1,764,010	139,181	6,760,437	1,258,018	6,707,992	1,126,689	157,329	7,852
\$5,000 under \$10,000 .....	4,023,851	25,326,504	4,014,315	1,945,232	3,971,407	3,048,888	3,790,227	1,149,771	233,624	46,115
\$10,000 under \$15,000 .....	2,636,474	29,268,256	2,636,474	3,208,314	2,631,707	3,983,917	2,469,610	816,250	166,864	40,647
\$15,000 under \$20,000 .....	1,663,890	26,661,691	1,663,890	3,565,346	1,659,123	4,184,863	1,587,610	642,643	71,513	23,126
\$20,000 under \$25,000 .....	638,867	13,501,943	638,867	2,137,687	638,867	2,406,299	595,958	275,687	*38,141	*7,075
\$25,000 under \$30,000 .....	242,184	6,233,684	242,184	1,106,453	242,184	1,207,244	218,637	107,678	*23,547	*6,886
\$30,000 under \$40,000 .....	107,639	3,425,238	107,639	692,446	107,639	710,020	87,458	40,356	*20,181	*22,782
\$40,000 or more .....	*10,091	*429,515	*10,091	*104,214	*10,091	*109,785	*10,091	*5,571	—	—
<b>Taxable returns, total</b> .....	<b>11,077,470</b>	<b>110,464,092</b>	<b>11,077,470</b>	<b>12,898,872</b>	<b>10,905,840</b>	<b>16,230,563</b>	<b>10,351,968</b>	<b>3,486,174</b>	<b>711,199</b>	<b>154,484</b>
Under \$5,000 .....	1,764,010	5,638,525	1,764,010	139,181	1,654,358	583,476	1,601,913	452,148	157,329	7,852
\$5,000 under \$10,000 .....	4,014,315	25,305,238	4,014,315	1,945,232	3,961,871	3,044,959	3,780,691	1,145,842	233,624	46,115
\$10,000 under \$15,000 .....	2,636,474	29,268,256	2,636,474	3,208,314	2,631,707	3,983,917	2,469,610	816,250	166,864	40,647
\$15,000 under \$20,000 .....	1,663,890	26,661,691	1,663,890	3,565,346	1,659,123	4,184,863	1,587,610	642,643	71,513	23,126
\$20,000 under \$25,000 .....	638,867	13,501,943	638,867	2,137,687	638,867	2,406,299	595,958	275,687	*38,141	*7,075
\$25,000 under \$30,000 .....	242,184	6,233,684	242,184	1,106,453	242,184	1,207,244	218,637	107,678	*23,547	*6,886
\$30,000 under \$40,000 .....	107,639	3,425,238	107,639	692,446	107,639	710,020	87,458	40,356	*20,181	*22,782
\$40,000 or more .....	*10,091	*429,515	*10,091	*104,214	*10,091	*109,785	*10,091	*5,571	—	—
<b>Nontaxable returns, total</b> .....	<b>4,109,647</b>	<b>5,137,326</b>	—	—	<b>5,115,615</b>	<b>678,470</b>	<b>5,115,615</b>	<b>678,470</b>	—	—

\*Estimate should be used with caution because of the small number of sample returns on which it is based

NOTE: Detail may not add to total because of rounding

**Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Interest received		Dividends in AGI		Unemployment compensation in AGI	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns, total</b> .....	<b>17,584,689</b>	<b>234,589,878</b>	<b>17,270,020</b>	<b>232,549,922</b>	<b>5,971,913</b>	<b>4,166,010</b>	<b>663,416</b>	<b>403,436</b>	<b>1,054,629</b>	<b>1,036,046</b>
Under \$5,000 .....	3,394,516	9,493,751	3,184,737	8,692,872	915,377	774,243	138,258	73,301	—	—
\$5,000 under \$10,000 .....	4,200,260	31,488,206	4,100,138	30,345,326	1,010,730	1,181,321	147,797	128,846	47,676	23,586
\$10,000 under \$15,000 .....	3,837,924	47,631,916	3,833,156	47,223,716	1,110,854	550,919	100,119	34,737	247,911	192,053
\$15,000 under \$20,000 .....	2,331,359	40,435,933	2,331,359	40,198,284	891,546	376,209	57,209	31,350	300,359	290,456
\$20,000 under \$25,000 .....	1,689,911	37,836,800	1,689,911	37,677,252	826,718	460,224	68,708	35,818	230,804	300,244
\$25,000 under \$30,000 .....	1,049,476	28,719,905	1,049,476	28,944,419	538,193	246,266	43,725	67,027	131,186	133,718
\$30,000 under \$40,000 .....	861,115	29,260,328	861,115	29,573,153	531,473	390,728	87,461	24,553	77,368	85,066
\$40,000 or more .....	220,128	9,723,039	220,128	9,894,900	147,022	186,100	20,139	7,804	*19,325	*10,923
<b>Taxable returns, total</b> .....	<b>12,364,175</b>	<b>209,657,114</b>	<b>12,240,215</b>	<b>208,216,057</b>	<b>5,037,461</b>	<b>3,523,843</b>	<b>544,228</b>	<b>340,077</b>	<b>1,040,325</b>	<b>1,025,385</b>
Under \$5,000 .....	448,152	1,945,025	424,314	1,664,019	214,539	258,764	*38,140	*22,242	—	—
\$5,000 under \$10,000 .....	2,145,417	16,737,669	2,050,063	15,678,949	786,651	1,055,725	128,727	116,545	*38,140	*14,903
\$10,000 under \$15,000 .....	3,632,919	45,238,829	3,628,151	44,825,495	1,101,319	549,828	100,119	34,737	243,144	190,075
\$15,000 under \$20,000 .....	2,317,057	40,195,520	2,317,057	39,957,870	891,546	376,209	57,209	31,350	300,359	290,456
\$20,000 under \$25,000 .....	1,689,911	37,836,800	1,689,911	37,677,252	826,718	460,224	68,708	35,818	230,804	300,244
\$25,000 under \$30,000 .....	1,049,476	28,719,905	1,049,476	28,944,419	538,193	246,266	43,725	67,027	131,186	133,718
\$30,000 under \$40,000 .....	861,115	29,260,328	861,115	29,573,153	531,473	390,728	87,461	24,553	77,368	85,066
\$40,000 or more .....	220,128	9,723,039	220,128	9,894,900	147,022	186,100	20,139	7,804	*19,325	*10,923
<b>Nontaxable returns, total</b> .....	<b>5,220,514</b>	<b>24,932,764</b>	<b>5,029,805</b>	<b>24,333,865</b>	<b>934,452</b>	<b>642,167</b>	<b>119,188</b>	<b>63,359</b>	<b>*14,303</b>	<b>*10,661</b>

Size of adjusted gross income	Statutory adjustments						Contributions deduction for nonitemizers		Zero bracket amount	
	Total		Payments to an IRA		Deduction for working married couple		Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns, total</b> .....	<b>4,042,850</b>	<b>3,565,536</b>	<b>903,312</b>	<b>1,443,212</b>	<b>3,345,245</b>	<b>2,122,325</b>	<b>7,489,054</b>	<b>2,946,971</b>	<b>16,287,911</b>	<b>44,451,738</b>
Under \$5,000 .....	119,187	46,665	*23,837	*35,795	95,350	10,870	486,291	79,151	2,159,715	3,246,047
\$5,000 under \$10,000 .....	410,012	190,873	100,117	132,579	314,662	58,294	1,539,936	463,635	4,138,283	10,604,553
\$10,000 under \$15,000 .....	691,303	369,510	176,402	206,314	533,971	163,196	1,897,501	681,205	3,837,924	10,897,472
\$15,000 under \$20,000 .....	686,534	460,364	128,724	193,252	562,577	267,112	1,268,183	521,245	2,331,359	6,985,827
\$20,000 under \$25,000 .....	760,247	636,739	132,910	197,070	663,224	439,669	971,153	468,831	1,689,911	5,452,559
\$25,000 under \$30,000 .....	625,639	671,524	107,632	203,283	541,552	468,241	649,194	341,462	1,049,476	3,520,253
\$30,000 under \$40,000 .....	581,924	813,173	154,733	291,393	501,192	521,779	504,555	286,657	861,115	2,972,076
\$40,000 or more .....	168,004	376,689	78,957	183,526	132,717	193,163	172,241	104,785	220,128	772,950
<b>Taxable returns, total</b> .....	<b>3,656,684</b>	<b>3,448,248</b>	<b>855,639</b>	<b>1,384,287</b>	<b>3,001,985</b>	<b>2,063,961</b>	<b>6,373,443</b>	<b>2,598,480</b>	<b>12,364,175</b>	<b>36,718,818</b>
Under \$5,000 .....	—	—	—	—	—	—	119,188	15,442	448,152	1,087,865
\$5,000 under \$10,000 .....	166,869	128,454	81,048	111,475	85,821	16,978	920,152	271,187	2,145,417	5,605,650
\$10,000 under \$15,000 .....	667,467	361,305	171,635	204,288	514,902	157,018	1,778,312	606,130	3,632,919	10,362,565
\$15,000 under \$20,000 .....	686,534	460,364	128,724	193,252	562,577	267,112	1,258,648	503,987	2,317,057	6,944,900
\$20,000 under \$25,000 .....	760,247	636,739	132,910	197,070	663,224	439,669	971,153	468,831	1,689,911	5,452,559
\$25,000 under \$30,000 .....	625,639	671,524	107,632	203,283	541,552	468,241	649,194	341,462	1,049,476	3,520,253
\$30,000 under \$40,000 .....	581,924	813,173	154,733	291,393	501,192	521,779	504,555	286,657	861,115	2,972,076
\$40,000 or more .....	168,004	376,689	78,957	183,526	132,717	193,163	172,241	104,785	220,128	772,950
<b>Nontaxable returns, total</b> .....	<b>386,166</b>	<b>117,288</b>	<b>47,673</b>	<b>58,925</b>	<b>343,260</b>	<b>58,363</b>	<b>1,115,611</b>	<b>348,491</b>	<b>3,923,736</b>	<b>7,732,920</b>

Footnote(s) at end of table.



**Table 1.6—Form 1040A Returns: Sources of Income, Deductions, and Tax Items, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions		Taxable income		Child care credit		Political contributions credit		Earned income credit used to offset income tax before credits	
	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>All returns, total</b> .....	<b>45,220,564</b>	<b>48,787,856</b>	<b>16,287,911</b>	<b>184,708,551</b>	<b>2,435,723</b>	<b>957,156</b>	<b>448,354</b>	<b>21,185</b>	<b>1,654,377</b>	<b>221,571</b>
Under \$5,000 .....	7,084,575	7,633,034	2,159,715	3,578,579	*9,535	*324	*9,535	*224	*33,374	*672
\$5,000 under \$10,000 .....	10,312,330	11,127,591	4,138,283	19,953,468	553,049	125,394	95,353	4,124	1,225,285	196,341
\$10,000 under \$15,000 .....	9,878,493	10,659,618	3,837,924	36,291,093	724,675	328,268	123,952	5,254	395,718	24,558
\$15,000 under \$20,000 .....	6,445,785	6,960,304	2,331,359	32,954,384	414,775	196,708	66,746	2,813	—	—
\$20,000 under \$25,000 .....	4,876,805	5,263,135	1,689,911	32,104,834	319,978	140,356	47,678	2,622	—	—
\$25,000 under \$30,000 .....	3,282,989	3,541,995	1,049,476	24,836,447	242,188	94,231	53,821	2,842	—	—
\$30,000 under \$40,000 .....	2,637,178	2,845,730	861,115	26,127,940	141,271	55,479	33,637	1,968	—	—
\$40,000 or more .....	702,409	756,449	220,128	8,861,805	30,252	16,396	*17,632	*1,338	—	—
<b>Taxable returns, total</b> .....	<b>30,717,604</b>	<b>33,147,544</b>	<b>12,364,175</b>	<b>173,911,090</b>	<b>1,773,027</b>	<b>746,644</b>	<b>414,979</b>	<b>19,769</b>	<b>667,476</b>	<b>85,475</b>
Under \$5,000 .....	481,525	518,903	448,152	1,410,681	—	—	*4,767	*167	—	—
\$5,000 under \$10,000 .....	3,432,676	3,702,523	2,145,417	12,763,959	81,053	16,849	71,513	3,004	295,597	61,446
\$10,000 under \$15,000 .....	8,967,883	9,676,922	3,632,919	34,955,777	553,045	234,753	119,185	5,015	371,879	24,029
\$15,000 under \$20,000 .....	6,336,139	6,841,886	2,317,057	32,849,647	405,240	188,579	66,746	2,813	—	—
\$20,000 under \$25,000 .....	4,876,805	5,263,135	1,689,911	32,104,834	319,978	140,356	47,678	2,622	—	—
\$25,000 under \$30,000 .....	3,282,989	3,541,995	1,049,476	24,836,447	242,188	94,231	53,821	2,842	—	—
\$30,000 under \$40,000 .....	2,637,178	2,845,730	861,115	26,127,940	141,271	55,479	33,637	1,968	—	—
\$40,000 or more .....	702,409	756,449	220,128	8,861,805	30,252	16,396	*17,632	*1,338	—	—
<b>Nontaxable returns, total</b> .....	<b>14,502,960</b>	<b>15,640,313</b>	<b>3,923,736</b>	<b>10,797,461</b>	<b>662,696</b>	<b>210,513</b>	<b>*33,375</b>	<b>*1,416</b>	<b>986,901</b>	<b>136,097</b>

Size of adjusted gross income	Income tax after credits		Taxpayments				Overpayment refunded		Tax due at time of filing	
	Number of returns	Amount	Total		Income tax withheld		Number of returns	Amount	Number of returns	Amount
			Number of returns	Amount	Number of returns	Amount				
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
<b>All returns, total</b> .....	<b>12,364,175</b>	<b>20,592,300</b>	<b>16,688,381</b>	<b>27,668,542</b>	<b>16,688,381</b>	<b>27,668,542</b>	<b>15,662,851</b>	<b>8,754,504</b>	<b>1,540,428</b>	<b>552,716</b>
Under \$5,000 .....	448,152	35,494	2,836,711	527,348	2,836,711	527,348	2,974,966	938,672	85,817	5,335
\$5,000 under \$10,000 .....	2,145,417	795,124	3,923,739	2,404,628	3,923,739	2,404,628	3,876,065	2,354,276	286,053	64,386
\$10,000 under \$15,000 .....	3,632,919	2,964,148	3,790,246	4,776,126	3,790,246	4,776,126	3,566,170	1,903,689	262,219	88,034
\$15,000 under \$20,000 .....	2,317,057	3,533,363	2,321,823	4,797,654	2,321,823	4,797,654	2,135,886	1,318,910	195,473	54,620
\$20,000 under \$25,000 .....	1,689,911	3,961,588	1,685,143	4,798,169	1,685,143	4,798,169	1,470,049	931,167	219,862	94,586
\$25,000 under \$30,000 .....	1,049,476	3,410,160	1,049,476	4,039,255	1,049,476	4,039,255	891,385	689,467	158,091	60,372
\$30,000 under \$40,000 .....	861,115	4,194,709	861,115	4,609,149	861,115	4,609,149	625,652	517,939	235,463	103,499
\$40,000 or more .....	220,128	1,697,714	220,128	1,716,213	220,128	1,716,213	122,678	100,384	97,450	81,885
<b>Taxable returns, total</b> .....	<b>12,364,175</b>	<b>20,592,300</b>	<b>12,097,187</b>	<b>26,116,586</b>	<b>12,097,187</b>	<b>26,116,586</b>	<b>10,814,212</b>	<b>6,077,002</b>	<b>1,540,428</b>	<b>552,716</b>
Under \$5,000 .....	448,152	35,494	386,174	131,485	386,174	131,485	362,335	101,326	85,817	5,335
\$5,000 under \$10,000 .....	2,145,417	795,124	2,002,389	1,461,999	2,002,389	1,461,999	1,859,364	731,261	286,053	64,386
\$10,000 under \$15,000 .....	3,632,919	2,964,148	3,585,241	4,582,022	3,585,241	4,582,022	3,361,165	1,705,908	262,219	88,034
\$15,000 under \$20,000 .....	2,317,057	3,533,363	2,307,521	4,778,293	2,307,521	4,778,293	2,121,584	1,299,549	195,473	54,620
\$20,000 under \$25,000 .....	1,689,911	3,961,588	1,685,143	4,798,169	1,685,143	4,798,169	1,470,049	931,167	219,862	94,586
\$25,000 under \$30,000 .....	1,049,476	3,410,160	1,049,476	4,039,255	1,049,476	4,039,255	891,385	689,467	158,091	60,372
\$30,000 under \$40,000 .....	861,115	4,194,709	861,115	4,609,149	861,115	4,609,149	625,652	517,939	235,463	103,499
\$40,000 or more .....	220,128	1,697,714	220,128	1,716,213	220,128	1,716,213	122,678	100,384	97,450	81,885
<b>Nontaxable returns, total</b> .....	—	—	<b>4,591,194</b>	<b>1,551,956</b>	<b>4,591,194</b>	<b>1,551,956</b>	<b>4,848,639</b>	<b>2,677,502</b>	—	—

\* Estimate should be used with caution because of the small number of sample returns on which it is based.  
 NOTE: Detail may not add to total because of rounding.

**Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income	Salaries and wages		Interest received		Dividends in AGI		Business or profession net income less loss	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>Total</b> .....	<b>40,667,008</b>	<b>1,725,713,762</b>	<b>35,620,895</b>	<b>1,375,709,353</b>	<b>34,558,705</b>	<b>99,825,403</b>	<b>10,842,336</b>	<b>49,476,066</b>	<b>7,294,065</b>	<b>73,765,648</b>
Under \$5,000 .....	756,068	2,308,398	296,355	1,930,019	663,014	1,179,827	301,759	240,626	101,839	-126,311
\$5,000 under \$10,000 .....	1,621,767	12,568,024	841,133	7,500,530	1,276,171	3,256,815	372,345	673,984	331,111	1,007,140
\$10,000 under \$15,000 .....	2,441,139	30,867,405	1,739,870	20,997,179	1,863,883	4,550,087	513,362	947,166	489,720	1,706,594
\$15,000 under \$20,000 .....	3,220,896	56,755,858	2,596,033	42,555,456	2,354,996	6,198,704	545,333	1,327,055	628,041	3,455,517
\$20,000 under \$25,000 .....	4,005,784	90,088,432	3,548,203	74,973,759	3,033,826	5,569,569	756,809	1,789,221	695,650	4,480,917
\$25,000 under \$30,000 .....	4,437,840	122,503,595	4,106,843	108,818,284	3,589,812	6,503,144	756,398	1,189,780	711,808	3,885,336
\$30,000 under \$35,000 .....	4,590,154	149,347,702	4,362,345	136,302,249	3,825,198	5,435,380	884,650	1,541,414	764,570	3,846,137
\$35,000 under \$40,000 .....	4,052,384	151,677,927	3,824,993	138,315,267	3,515,508	5,520,829	917,098	1,828,699	690,604	5,167,375
\$40,000 under \$45,000 .....	3,683,477	156,319,051	3,485,400	142,979,620	3,278,584	5,668,030	928,694	2,130,269	548,854	4,176,102
\$45,000 under \$50,000 .....	2,845,522	134,703,583	2,668,687	122,394,554	2,617,197	5,608,519	788,620	1,760,451	426,747	3,857,813
\$50,000 under \$55,000 .....	2,026,905	106,249,026	1,908,469	96,583,095	1,872,376	4,363,511	659,344	1,766,808	345,436	3,388,127
\$55,000 under \$60,000 .....	1,487,474	85,276,457	1,391,559	75,727,687	1,399,704	3,803,680	512,847	1,339,471	272,443	3,586,660
\$60,000 under \$75,000 .....	2,541,200	168,656,521	2,342,312	145,763,672	2,396,546	7,944,051	1,055,689	3,748,044	520,475	8,292,586
\$75,000 under \$100,000 .....	1,496,996	127,573,107	1,309,335	98,225,731	1,447,706	9,262,781	821,585	5,043,221	340,739	8,408,645
\$100,000 under \$200,000 .....	1,092,859	144,079,502	920,269	96,315,355	1,063,074	10,394,111	730,027	6,639,583	313,304	12,987,730
\$200,000 under \$500,000 .....	283,811	81,073,916	223,883	42,773,687	279,054	6,826,968	224,708	7,585,518	76,989	3,973,176
\$500,000 under \$1,000,000 .....	51,001	33,311,728	35,340	11,551,090	50,507	3,207,614	43,991	2,137,902	20,271	1,024,220
\$1,000,000 or more .....	31,731	72,353,531	19,866	12,002,116	31,549	4,531,782	29,077	7,786,854	15,464	647,882
Total taxable returns .....	38,628,679	1,703,130,570	34,441,012	1,359,542,733	32,907,615	94,277,335	10,315,800	48,011,972	6,690,242	71,320,633
Total nontaxable returns .....	2,038,329	22,583,193	1,179,883	16,166,619	1,651,090	5,548,068	526,536	1,464,094	603,823	2,445,015

Size of adjusted gross income	State income tax refunds		Farm net income less loss		Sales of capital assets net gain less loss		Sales of property other than capital assets net gain less loss		Pensions and annuities in AGI	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>Total</b> .....	<b>19,480,920</b>	<b>9,367,626</b>	<b>989,895</b>	<b>-3,878,893</b>	<b>10,522,240</b>	<b>116,245,735</b>	<b>1,109,427</b>	<b>1,232,473</b>	<b>7,433,556</b>	<b>61,161,563</b>
Under \$5,000 .....	105,608	33,369	32,904	-99,053	248,473	513,880	27,140	-190,600	85,591	238,469
\$5,000 under \$10,000 .....	441,572	100,381	42,471	-151,640	367,625	459,524	55,303	-39,643	507,413	1,968,907
\$10,000 under \$15,000 .....	803,753	222,782	78,101	-226,978	430,114	600,645	56,579	70,767	636,459	3,913,769
\$15,000 under \$20,000 .....	1,235,725	338,413	92,944	-430,569	628,715	1,141,189	73,649	12,109	646,117	4,646,001
\$20,000 under \$25,000 .....	1,754,140	515,270	125,160	-496,081	697,347	1,219,920	49,561	6,398	748,411	5,913,591
\$25,000 under \$30,000 .....	2,188,679	738,842	93,472	-397,194	767,267	1,311,319	73,601	84,070	647,992	4,930,108
\$30,000 under \$35,000 .....	2,431,888	802,483	93,829	-385,726	812,306	1,605,431	97,460	-43,895	679,714	5,391,907
\$35,000 under \$40,000 .....	2,277,941	852,407	74,050	-43,533	847,976	1,784,541	48,311	39,945	615,348	4,197,014
\$40,000 under \$45,000 .....	2,006,500	801,780	54,282	-114,078	810,448	1,788,300	78,511	18,066	628,129	5,391,413
\$45,000 under \$50,000 .....	1,595,286	693,372	51,329	-99,211	778,116	2,267,430	63,694	23,823	497,514	4,415,057
\$50,000 under \$55,000 .....	1,117,270	516,344	41,717	11,485	602,364	1,605,000	47,136	110,834	368,955	3,301,317
\$55,000 under \$60,000 .....	785,385	427,136	36,647	87,189	489,102	1,874,795	37,637	87,931	277,963	2,625,831
\$60,000 under \$75,000 .....	1,294,503	850,425	48,827	-196,475	1,056,611	5,258,788	102,213	59,096	521,437	5,635,061
\$75,000 under \$100,000 .....	736,486	691,401	54,016	-73,506	860,832	7,835,460	101,110	172,631	300,557	3,898,656
\$100,000 under \$200,000 .....	532,757	835,509	40,121	-410,091	798,555	16,905,499	122,117	415,292	218,604	3,405,302
\$200,000 under \$500,000 .....	130,906	477,044	16,368	-345,250	247,111	17,488,046	50,579	160,038	42,831	879,015
\$500,000 under \$1,000,000 .....	29,663	205,042	11,417	-242,515	48,335	10,844,293	17,762	88,744	6,781	187,609
\$1,000,000 or more .....	12,858	265,625	2,240	-265,667	30,943	41,741,677	7,068	156,868	3,740	222,536
Total taxable returns .....	18,883,234	9,094,024	858,669	-3,286,515	10,006,545	115,025,363	1,005,596	1,400,534	6,906,988	58,641,054
Total nontaxable returns .....	597,686	273,603	131,226	-592,379	515,695	1,220,372	103,831	-168,061	526,568	2,520,509

Size of adjusted gross income	Rent net income less loss		Royalty net income less loss		Partnership and S Corporation net income less loss		Farm rental income less loss		Estate or trust net income less loss	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
<b>Total</b> .....	<b>6,101,688</b>	<b>-17,118,295</b>	<b>566,485</b>	<b>3,835,599</b>	<b>4,395,093</b>	<b>10,034,794</b>	<b>291,286</b>	<b>848,467</b>	<b>860,553</b>	<b>5,779,131</b>
Under \$5,000 .....	93,380	-326,753	15,619	4,677	90,750	-685,658	51	-1,533	65,104	185,903
\$5,000 under \$10,000 .....	279,106	-472,587	39,445	21,787	94,548	-414,998	36,325	46,796	27,111	75,680
\$10,000 under \$15,000 .....	364,068	-382,823	31,651	82,829	144,120	-549,337	42,385	50,875	57,095	243,062
\$15,000 under \$20,000 .....	422,530	-757,551	56,078	82,201	182,977	-582,631	20,214	89,678	29,818	223,757
\$20,000 under \$25,000 .....	509,139	-1,533,840	44,464	62,700	222,173	-323,060	22,025	42,149	40,076	168,321
\$25,000 under \$30,000 .....	571,066	-1,849,938	43,141	123,649	276,551	-228,035	27,051	161,225	72,751	349,637
\$30,000 under \$35,000 .....	455,018	-1,501,196	41,704	66,828	262,996	-16,430	33,550	117,516	51,244	113,514
\$35,000 under \$40,000 .....	431,808	-1,222,098	26,987	51,906	294,069	-262,056	8,180	10,926	44,416	234,737
\$40,000 under \$45,000 .....	416,383	-1,366,213	26,853	45,121	336,592	-70,641	14,362	-13,161	60,975	301,331
\$45,000 under \$50,000 .....	396,511	-1,140,145	23,086	58,835	255,453	-72,359	13,385	-18,647	29,762	159,570
\$50,000 under \$55,000 .....	333,977	-1,098,778	27,125	72,508	214,594	-126,166	7,259	11,818	36,783	166,602
\$55,000 under \$60,000 .....	267,595	-671,589	23,476	23,910	202,276	-414,521	13,359	11,226	20,545	111,162
\$60,000 under \$75,000 .....	534,241	-1,209,348	44,858	142,936	472,629	-584,994	20,089	79,338	83,204	400,794
\$75,000 under \$100,000 .....	425,329	-1,625,590	48,266	205,116	480,874	-1,021,464	16,538	59,808	83,763	517,027
\$100,000 under \$200,000 .....	417,363	-1,530,698	41,441	397,406	584,958	-2,361,413	11,676	112,162	93,929	1,006,231
\$200,000 under \$500,000 .....	132,985	-225,917	17,856	385,360	207,580	-1,546,422	4,052	95,113	44,971	551,633
\$500,000 under \$1,000,000 .....	30,429	-469,939	11,856	1,759,304	43,086	-1,908,744	525	-4,783	14,597	344,170
\$1,000,000 or more .....	20,760	-673,169	2,599	284,525	28,867	-5,098,699	260	-2,040	4,409	625,999
Total taxable returns .....	5,670,359	-15,387,125	499,360	3,687,618	4,136,998	12,439,017	255,322	793,096	807,009	5,416,931
Total nontaxable returns .....	431,329	-1,731,170	67,125	147,981	258,095	-2,404,223	35,964	55,371	53,544	362,199

Footnote(s) at end of table.



**Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Unemployment compensation in AGI		Social Security benefits in AGI		Other income less loss		Total statutory adjustments		Itemized deductions		
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total	Medical and dental expense deduction	
										Number of returns	Amount
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)	(39)	(40)	(41)
<b>Total</b> .....	<b>2,928,825</b>	<b>4,329,334</b>	<b>2,230,848</b>	<b>7,964,726</b>	<b>3,487,605</b>	<b>4,540,847</b>	<b>25,762,898</b>	<b>80,009,029</b>	<b>447,057,972</b>	<b>10,541,784</b>	<b>25,112,007</b>
Under \$5,000 .....					56,415	56,415					
\$5,000 under \$10,000 .....	11,199	9,521	9,535	14,275	185,573	-1,016,111	294,239	531,271	9,570,477	1,137,276	3,692,782
\$10,000 under \$15,000 .....	76,446	65,975	*247	*820	162,272	-140,099	734,206	1,462,790	15,317,770	1,436,709	3,747,881
\$15,000 under \$20,000 .....	240,608	263,620	*12,549	*40,076	248,664	205,762	1,166,192	2,114,331	20,383,333	1,562,768	3,144,657
\$20,000 under \$25,000 .....	410,247	603,874	85,453	102,410	320,775	502,904	1,922,520	3,805,144	27,000,974	1,383,275	2,494,744
\$25,000 under \$30,000 .....	468,813	764,385	242,247	398,492	226,005	123,517	2,595,018	4,833,605	33,106,790	1,213,964	1,915,629
\$30,000 under \$35,000 .....	487,278	753,362	321,628	770,790	278,095	113,067	2,977,974	6,181,301	38,392,776	927,317	1,701,521
\$35,000 under \$40,000 .....	357,333	551,240	262,569	783,313	320,382	343,933	2,972,048	6,826,452	37,293,301	773,159	1,425,167
\$40,000 under \$45,000 .....	311,186	456,183	278,752	1,019,007	274,031	332,928	2,902,330	7,226,543	37,484,245	535,575	964,343
\$45,000 under \$50,000 .....	204,909	330,895	179,911	749,367	291,653	488,719	2,400,956	7,025,631	32,381,497	414,424	1,115,980
\$50,000 under \$55,000 .....	105,014	143,298	142,503	606,991	187,215	374,384	1,746,464	5,923,370	25,009,444	251,861	595,258
\$55,000 under \$60,000 .....	88,312	144,670	107,078	458,842	151,274	224,518	1,279,817	5,090,142	20,135,011	158,445	464,276
\$60,000 under \$75,000 .....	121,547	162,378	201,664	895,653	277,754	529,246	2,221,561	10,447,997	40,647,511	258,745	1,253,585
\$75,000 under \$100,000 .....	31,602	48,694	171,086	857,051	230,770	698,779	1,268,253	7,724,247	31,636,037	128,075	621,818
\$100,000 under \$200,000 .....	12,147	25,603	156,672	913,626	189,801	980,839	907,601	7,732,192	34,261,120	60,044	734,774
\$200,000 under \$500,000 .....	1,990	5,031	46,530	275,415	59,821	691,499	212,428	2,096,960	19,197,582	8,109	220,081
\$500,000 under \$1,000,000 .....	138	290	7,775	47,340	11,534	213,579	39,927	450,223	6,419,751	494	15,719
\$1,000,000 or more .....	56	116	4,649	31,256	15,571	220,143	16,629	287,255	15,667,168	130	8,048
Total taxable returns .....	2,909,365	4,306,932	2,199,825	7,870,635	3,223,486	6,053,005	25,146,412	78,601,458	423,166,833	9,117,192	17,873,192
Total nontaxable returns .....	19,460	22,402	31,023	94,091	264,119	-1,512,158	616,486	1,407,571	23,891,139	1,424,592	7,238,815

Size of adjusted gross income	Itemized deductions—Continued									
	Taxes paid deduction									
	Total		State and local income taxes		Real estate taxes		General sales taxes		Sales taxes on motor vehicles	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(42)	(43)	(44)	(45)	(46)	(47)	(48)	(49)	(50)	(51)
<b>Total</b> .....	<b>40,419,958</b>	<b>143,446,005</b>	<b>33,153,850</b>	<b>71,359,976</b>	<b>32,925,908</b>	<b>39,502,713</b>	<b>38,961,575</b>	<b>20,790,360</b>	<b>13,144,349</b>	<b>7,159,128</b>
Under \$5,000 .....	666,255	603,143	292,225	85,724	302,596	334,260	612,924	124,192	65,943	27,466
\$5,000 under \$10,000 .....	1,563,501	1,751,884	936,109	295,889	1,066,396	970,316	1,474,583	318,611	255,617	107,483
\$10,000 under \$15,000 .....	2,402,990	3,354,834	1,674,541	706,524	1,748,570	1,590,832	2,260,403	614,008	586,093	296,297
\$15,000 under \$20,000 .....	3,201,818	5,226,432	2,496,606	1,577,342	2,420,909	2,018,871	3,042,668	964,506	989,540	447,707
\$20,000 under \$25,000 .....	3,990,646	7,438,632	3,245,507	2,765,387	2,950,727	2,392,867	3,810,076	1,438,425	1,117,311	509,663
\$25,000 under \$30,000 .....	4,434,476	10,369,306	3,795,984	4,502,226	3,326,484	3,013,915	4,270,795	1,774,534	1,478,048	702,141
\$30,000 under \$35,000 .....	4,581,606	12,097,485	3,895,368	5,459,060	3,710,754	3,455,483	4,439,020	2,095,232	1,519,740	694,774
\$35,000 under \$40,000 .....	4,049,019	12,318,328	3,525,138	5,775,536	3,379,506	3,414,891	3,921,454	2,062,543	1,400,283	676,340
\$40,000 under \$45,000 .....	3,679,500	12,600,649	3,172,795	5,911,021	3,220,999	3,570,944	3,551,126	2,007,189	1,309,966	698,670
\$45,000 under \$50,000 .....	2,844,686	10,807,240	2,414,768	5,094,072	2,516,161	3,032,074	2,780,372	1,726,608	1,068,638	577,548
\$50,000 under \$55,000 .....	2,026,896	8,570,428	1,737,065	4,129,139	1,826,340	2,341,931	1,964,216	1,346,596	776,215	458,790
\$55,000 under \$60,000 .....	1,486,637	7,040,031	1,252,144	3,472,539	1,366,826	1,914,584	1,457,723	1,029,262	576,887	379,103
\$60,000 under \$75,000 .....	2,540,365	13,918,289	2,173,974	7,010,569	2,333,766	3,843,538	2,489,639	1,994,789	939,393	623,669
\$75,000 under \$100,000 .....	1,492,908	10,895,917	1,277,630	5,825,100	1,392,554	2,916,429	1,464,971	1,416,669	525,489	413,417
\$100,000 under \$200,000 .....	1,092,348	12,074,153	952,266	7,240,941	1,015,958	2,894,365	1,070,525	1,270,807	401,935	367,435
\$200,000 under \$500,000 .....	283,624	6,767,367	237,917	4,834,409	268,201	1,269,529	269,939	409,380	93,158	114,366
\$500,000 under \$1,000,000 .....	50,975	2,487,873	45,139	2,039,364	48,613	265,794	49,980	98,614	23,615	33,369
\$1,000,000 or more .....	31,708	5,124,013	28,674	4,635,133	30,548	262,270	31,161	98,393	16,448	30,892
Total taxable returns .....	38,470,070	139,937,752	32,024,832	70,654,937	31,407,240	37,618,825	37,137,905	20,249,206	12,748,773	6,943,544
Total nontaxable returns .....	1,949,888	3,508,253	1,129,018	705,039	1,518,668	1,883,888	1,823,670	541,154	395,576	215,584

Size of adjusted gross income	Itemized deductions—Continued											
	Taxes paid deduction—Continued				Interest paid deduction							
	Personal property taxes		Other taxes		Total		Home mortgage interest					
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Total		Paid to financial institutions		Paid to individuals	
							Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
<b>Total</b> .....	<b>11,457,720</b>	<b>2,473,977</b>	<b>9,072,030</b>	<b>2,159,851</b>	<b>37,261,499</b>	<b>196,566,331</b>	<b>29,003,496</b>	<b>125,781,713</b>	<b>28,119,508</b>	<b>120,307,673</b>	<b>2,256,523</b>	<b>5,474,040</b>
Under \$5,000 .....	93,286	12,356	61,396	19,145	298,391	967,086	205,754	649,066	201,583	631,070	*9,205	*17,995
\$5,000 under \$10,000 .....	322,249	37,019	215,921	22,566	1,117,655	2,941,265	772,915	1,988,527	740,568	1,881,917	43,639	106,610
\$10,000 under \$15,000 .....	618,497	93,957	402,755	53,215	2,049,395	6,205,226	1,328,918	3,949,994	1,270,091	3,782,008	98,591	167,986
\$15,000 under \$20,000 .....	832,622	114,856	663,556	103,150	2,878,400	9,073,224	2,023,509	5,957,405	1,940,630	5,612,498	162,152	344,907
\$20,000 under \$25,000 .....	1,100,498	169,685	858,280	162,604	3,743,492	12,390,165	2,651,974	7,916,096	2,535,564	7,477,538	237,429	438,558
\$25,000 under \$30,000 .....	1,112,884	199,368	1,028,289	177,122	4,175,069	15,347,972	3,055,696	9,994,795	2,942,425	9,489,500	281,989	505,295
\$30,000 under \$35,000 .....	1,283,560	211,245	1,016,827	181,691	4,383,953	18,566,438	3,405,751	12,308,446	3,275,119	11,533,804	288,137	774,642
\$35,000 under \$40,000 .....	1,150,179	228,202	960,780	160,816	3,877,324	17,676,430	3,064,651	11,700,142	2,959,526	11,255,018	220,028	445,124
\$40,000 under \$45,000 .....	1,087,109	223,628	870,698	189,197	3,576,432	18,175,763	3,042,366	12,291,815	2,997,831	11,921,566	163,922	370,249
\$45,000 under \$50,000 .....	884,499	212,754	698,086	164,184	2,722,717	15,424,451	2,267,692	10,206,874	2,209,708	9,864,239	188,417	342,635
\$50,000 under \$55,000 .....	610,762	164,137	506,621	129,836	1,933,779	11,801,846	1,635,227	7,980,094	1,602,742	7,639,365	122,650	340,729
\$55,000 under \$60,000 .....	477,706	120,523	387,377	124,020	1,414,494	9,111,283	1,205,981	6,013,211	1,183,020	5,777,790	99,247	235,421
\$60,000 under \$75,000 .....	848,157	236,510	648,953	209,214	2,398,020	19,054,599	2,072,878	13,004,953	2,032,865	12,487,187	164,036	517,766
\$75,000 under \$100,000 .....	492,370	157,888	385,075	166,595	1,375,472	14,441,246	1,194,903	9,683,777	1,168,749	9,300,817	96,860	382,960
\$100,000 under \$200,000 .....	399,806	154,916	266,357	145,689	1,007,567	14,544,525	838,037	8,699,742	826,603	8,373,685	64,718	326,057
\$200,000 under \$500,000 .....	102,395	75,267	66,800	64,417	249,159	6,193,782	195,778	2,589,725	191,912	2,480,633	12,829	109,092
\$500,000 under \$1,000,000 .....	24,016	26,368	19,547	24,264	38,670	1,861,683	27,372	496,523	26,858	470,701	1,824	25,822
\$1,000,000 or more .....	17,125	35,298	14,712	62,026	21,870	2,789,346	14,094	350,530	13,714	328,337	1,030	22,192
Total taxable returns .....	10,992,929	2,391,941	8,787,776	2,079,300	35,663,581	186,698,513	27,744,785	119,647,071	26,912,948	114,489,850	2,158,209	5,157,221
Total nontaxable returns .....	464,791	82,036	284,254	80,551	1,597,918	9,867,817	1,258,711	6,134,641	1,206,560	5,817,822	98,314	316,819



**Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Itemized deductions—Continued									
	Interest paid deduction—Continued				Contribution deduction					
	Credit card interest		Other interest		Total		Cash contributions			
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Under \$3,000 to a single organization		\$3,000 or more to a single organization	
							Number of returns	Amount	Number of returns	Amount
	(64)	(65)	(66)	(67)	(68)	(69)	(70)	(71)	(72)	(73)
Total	26,980,550	14,431,093	30,102,394	56,353,525	36,714,257	53,815,979	35,879,178	29,988,885	1,479,904	10,748,511
Under \$5,000	163,656	61,101	166,991	256,919	388,512	167,005	380,732	147,016	**	**
\$5,000 under \$10,000	670,501	241,367	683,240	711,371	1,241,705	715,450	1,218,016	596,957	**15,454	**50,153
\$10,000 under \$15,000	1,369,926	664,759	1,439,230	1,590,474	1,943,905	1,281,614	1,889,752	1,028,689	31,483	121,357
\$15,000 under \$20,000	1,925,343	843,762	2,102,994	2,272,057	2,803,419	2,025,367	2,705,212	1,572,656	55,522	263,116
\$20,000 under \$25,000	2,600,289	1,223,382	2,819,954	3,250,688	3,584,938	2,753,161	3,499,676	2,168,280	80,693	318,621
\$25,000 under \$30,000	3,056,876	1,396,064	3,280,584	3,957,113	3,940,809	3,233,147	3,837,690	2,458,342	96,647	447,842
\$30,000 under \$35,000	3,229,429	1,700,704	3,596,505	4,557,287	4,197,603	3,603,269	4,090,664	2,622,072	129,931	561,187
\$35,000 under \$40,000	2,938,392	1,549,572	3,233,728	4,426,716	3,748,618	3,402,025	3,661,509	2,384,425	147,660	641,421
\$40,000 under \$45,000	2,739,285	1,613,966	3,055,687	4,269,982	3,431,667	3,583,229	3,390,623	2,608,934	125,187	595,495
\$45,000 under \$50,000	2,149,521	1,220,186	2,377,549	3,997,391	2,713,788	3,088,157	2,650,554	2,092,008	132,130	644,714
\$50,000 under \$55,000	1,512,220	892,720	1,670,196	2,929,032	1,939,218	2,554,717	1,909,350	1,726,606	93,346	510,251
\$55,000 under \$60,000	1,098,757	676,713	1,224,497	2,421,360	1,444,457	2,139,542	1,425,118	1,425,008	83,880	434,708
\$60,000 under \$75,000	1,809,739	1,217,617	2,100,715	4,832,028	2,460,236	4,141,029	2,418,098	2,605,814	143,098	864,424
\$75,000 under \$100,000	957,998	640,526	1,187,254	4,116,943	1,456,399	3,691,040	1,425,556	2,071,349	130,889	974,872
\$100,000 under \$200,000	619,333	401,837	888,546	5,442,946	1,061,152	4,567,419	1,033,191	2,271,426	125,424	1,288,301
\$200,000 under \$500,000	117,239	69,748	219,114	3,534,309	276,547	4,587,794	263,918	1,119,375	62,457	1,025,200
\$500,000 under \$1,000,000	14,841	9,201	35,352	1,355,959	49,950	1,660,820	48,921	628,374	14,889	476,668
\$1,000,000 or more	7,205	7,868	20,258	2,430,948	31,334	6,621,193	30,598	461,556	11,214	1,530,181
Total taxable returns	25,973,784	13,848,028	29,047,608	53,203,414	35,106,526	52,301,484	34,320,603	28,892,978	1,442,541	10,528,795
Total nontaxable returns	1,006,766	583,065	1,054,786	3,150,111	1,607,731	1,514,495	1,558,575	1,095,907	37,363	219,716

Size of adjusted gross income	Itemized deductions—Continued								Excess itemized deductions	
	Contribution deduction—Continued				Net casualty or theft loss		Miscellaneous deductions		Number of returns	Amount
	Other than cash contributions		Carryover from previous years		Number of returns	Amount	Number of returns	Amount		
	Number of returns	Amount	Number of returns	Amount						
	(74)	(75)	(76)	(77)	(78)	(79)	(80)	(81)	(82)	(83)
Total	11,515,096	10,647,662	228,521	2,430,921	244,375	1,331,081	33,453,767	26,786,569	40,169,452	313,333,998
Under \$5,000	54,869	14,395	*14,664	*5,585	*17,499	*218,047	331,313	202,160	384,197	1,881,213
\$5,000 under \$10,000	204,617	44,125	31,456	24,225	*19,330	*36,217	1,071,266	432,879	1,553,876	5,047,094
\$10,000 under \$15,000	463,046	99,495	*22,871	*32,073	*12,730	*6,294	1,762,531	721,919	2,395,277	8,096,933
\$15,000 under \$20,000	656,880	169,270	17,685	20,326	42,646	52,604	2,464,850	861,049	3,213,173	10,577,306
\$20,000 under \$25,000	963,658	248,251	26,203	18,010	48,493	200,668	3,253,715	1,723,602	4,005,784	14,631,254
\$25,000 under \$30,000	1,105,478	317,461	10,236	9,502	*18,915	*84,390	3,688,469	2,156,345	4,434,476	18,932,890
\$30,000 under \$35,000	1,206,378	412,129	10,913	7,880	*10,980	*21,051	3,860,928	2,403,013	4,590,154	23,221,914
\$35,000 under \$40,000	1,177,493	340,592	12,746	35,587	*13,636	*172,809	3,502,895	2,298,543	4,052,384	23,461,458
\$40,000 under \$45,000	1,073,779	374,749	22,285	4,051	*11,374	*23,546	3,195,311	2,136,715	3,683,477	24,643,868
\$45,000 under \$50,000	894,246	349,417	8,101	2,018	*11,306	*32,267	2,491,788	1,913,402	2,845,522	22,347,313
\$50,000 under \$55,000	757,159	308,504	3,521	9,356	12,692	58,375	1,782,832	1,428,821	2,026,905	17,824,627
\$55,000 under \$60,000	570,492	265,070	4,650	14,756	*5,233	*249,671	1,273,977	1,130,208	1,487,474	14,834,859
\$60,000 under \$75,000	1,083,346	629,776	10,781	41,015	9,826	57,595	2,221,295	2,222,414	2,541,200	31,623,649
\$75,000 under \$100,000	680,007	549,720	9,804	95,099	6,213	34,071	1,291,082	1,951,946	1,496,996	26,345,892
\$100,000 under \$200,000	479,017	885,511	7,644	122,181	3,039	47,347	943,636	2,292,903	1,092,137	30,402,930
\$200,000 under \$500,000	107,466	888,028	13,088	1,555,191	373	16,445	244,341	1,412,112	283,704	17,690,439
\$500,000 under \$1,000,000	17,917	448,610	1,487	107,168	54	6,037	44,914	387,618	50,992	6,238,615
\$1,000,000 or more	19,248	4,302,559	1,386	326,896	36	13,648	28,624	1,110,920	31,724	15,531,745
Total taxable returns	11,219,162	10,536,009	164,934	2,343,701	210,002	635,018	32,089,696	25,720,874	38,148,382	295,805,944
Total nontaxable returns	295,934	111,652	64,587	87,220	34,373	696,063	1,364,071	1,065,695	2,021,070	17,528,054

Size of adjusted gross income	Unused zero bracket amount		Exemptions		Taxable income		Zero bracket amount	
	Number of returns	Amount	Number of exemptions	Amount	Number of returns	Amount	Number of returns	Amount
		(84)	(85)	(86)	(87)	(88)	(89)	(90)
Total	489,833	969,602	117,290,594	126,581,445	39,844,323	1,293,200,112	39,844,323	130,435,888
Under \$5,000	371,871	777,633	1,215,147	1,311,571	525,399	1,641,109	525,399	1,152,437
\$5,000 under \$10,000	64,935	102,877	3,566,862	3,644,021	1,329,000	5,138,294	1,329,000	3,101,234
\$10,000 under \$15,000	*41,095	*70,935	6,000,262	6,471,737	2,285,998	17,296,887	2,285,998	6,571,365
\$15,000 under \$20,000	*7,723	*16,178	8,238,959	8,887,536	3,163,626	37,648,671	3,163,626	9,576,189
\$20,000 under \$25,000	—	—	10,328,912	11,142,125	3,979,013	64,587,536	3,979,013	12,261,307
\$25,000 under \$30,000	*3,364	*649	12,277,268	13,248,270	4,420,735	90,480,088	4,420,735	14,101,011
\$30,000 under \$35,000	—	—	13,286,232	14,344,382	4,583,031	111,997,467	4,583,031	15,156,279
\$35,000 under \$40,000	—	—	12,442,514	13,429,413	4,044,198	114,914,868	4,044,198	13,799,859
\$40,000 under \$45,000	—	—	11,546,298	12,463,694	3,677,815	119,317,370	3,677,815	12,822,883
\$45,000 under \$50,000	—	—	9,147,775	9,876,356	2,843,774	102,507,484	2,843,774	10,036,660
\$50,000 under \$55,000	—	—	6,493,067	7,009,552	2,023,860	81,467,098	2,023,860	7,175,344
\$55,000 under \$60,000	—	—	4,813,845	5,196,421	1,485,658	65,484,193	1,485,658	5,290,802
\$60,000 under \$75,000	—	—	8,263,973	8,920,351	2,535,651	128,295,033	2,535,651	9,009,681
\$75,000 under \$100,000	—	—	4,843,417	5,227,300	1,492,944	96,157,112	1,492,944	5,278,641
\$100,000 under \$200,000	*722	*1,156	3,613,986	3,900,357	1,088,888	109,961,695	1,088,888	3,836,724
\$200,000 under \$500,000	*107	*146	940,136	1,014,782	282,422	62,551,527	282,422	976,262
\$500,000 under \$1,000,000	*9	*18	163,005	175,963	50,710	26,975,978	50,710	177,893
\$1,000,000 or more	*7	*9	108,936	117,614	31,601	56,777,701	31,601	111,317
Total taxable returns	475,530	936,824	111,302,718	120,127,170	38,599,763	1,288,874,525	38,599,763	127,740,821
Total nontaxable returns	*14,303	*32,778	5,987,876	6,454,275	1,244,560	4,325,587	1,244,560	2,695,067

Footnote(s) at end of table.

**Table 2.1—Returns With Itemized Deductions: Sources of Income, Adjustments, Itemized Deductions by Type, Exemptions, and Tax Items by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Income tax before credits		Total credits		Income tax after credits		Alternative minimum tax		Total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(92)	(93)	(94)	(95)	(96)	(97)	(98)	(99)	(100)	(101)
<b>Total</b> .....	<b>38,958,497</b>	<b>284,177,211</b>	<b>9,080,299</b>	<b>4,193,931</b>	<b>38,582,174</b>	<b>279,983,280</b>	<b>523,450</b>	<b>6,108,625</b>	<b>38,628,679</b>	<b>286,094,154</b>
Under \$5,000 .....	392,551	63,235	* 12,900	* 534	392,551	62,701	943	10,680	393,437	73,381
\$5,000 under \$10,000 .....	883,397	254,256	220,749	31,990	766,196	222,266	1,440	13,260	767,636	235,526
\$10,000 under \$15,000 .....	2,094,479	1,405,025	420,978	82,500	1,968,951	1,322,526	6,080	18,275	1,971,465	1,340,801
\$15,000 under \$20,000 .....	3,095,084	3,948,597	443,459	134,200	3,055,655	3,814,397	2,109	28,622	3,056,315	3,843,019
\$20,000 under \$25,000 .....	3,960,408	7,995,301	737,963	218,862	3,939,885	7,776,439	3,818	24,043	3,942,465	7,800,482
\$25,000 under \$30,000 .....	4,403,965	12,459,283	937,626	283,672	4,388,422	12,175,610	5,467	27,970	4,389,401	12,203,581
\$30,000 under \$35,000 .....	4,580,287	16,645,218	972,075	288,289	4,560,543	16,356,930	17,288	84,801	4,563,611	16,441,731
\$35,000 under \$40,000 .....	4,041,464	18,233,314	943,801	308,291	4,029,790	17,925,024	23,713	70,572	4,031,720	17,995,596
\$40,000 under \$45,000 .....	3,676,806	20,286,678	805,027	233,920	3,675,896	20,052,757	22,709	55,575	3,677,119	20,108,332
\$45,000 under \$50,000 .....	2,843,609	18,543,703	759,693	238,115	2,842,315	18,305,587	35,244	127,089	2,843,100	18,432,676
\$50,000 under \$55,000 .....	2,023,614	15,764,873	528,044	168,523	2,022,565	15,596,350	16,663	55,746	2,024,133	15,652,095
\$55,000 under \$60,000 .....	1,484,209	13,393,393	399,229	165,063	1,478,568	13,228,330	23,772	129,747	1,483,374	13,358,077
\$60,000 under \$75,000 .....	2,533,592	28,811,638	743,590	381,722	2,524,779	28,429,916	75,040	341,633	2,534,848	28,771,549
\$75,000 under \$100,000 .....	1,492,326	24,962,047	499,133	243,994	1,486,470	24,718,052	96,998	574,120	1,493,666	25,292,173
\$100,000 under \$200,000 .....	1,088,039	35,528,511	452,859	432,422	1,085,633	35,096,090	120,745	1,237,689	1,090,429	36,335,876
\$200,000 under \$500,000 .....	282,349	25,645,974	153,970	347,976	281,721	25,297,998	45,950	1,068,781	283,354	26,366,795
\$500,000 under \$1,000,000 .....	50,716	12,470,969	32,629	172,220	50,653	12,298,748	10,262	466,197	50,919	12,764,945
\$1,000,000 or more .....	31,602	27,765,194	16,574	461,637	31,581	27,303,556	15,209	1,773,824	31,687	29,077,518
Total taxable returns .....	38,605,878	283,931,858	8,727,680	3,948,578	38,582,174	279,983,280	523,450	6,108,625	38,628,679	286,094,154
Total nontaxable returns .....	352,619	245,353	352,619	245,353	—	—	—	—	—	—

\* Estimate should be used with caution because of the small number of sample returns on which it is based

\*\* Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to total because of rounding



**Table 2.2—Returns With Itemized Deductions: Sources of Income and Adjustments, Deductions and Tax Items, by Marital Status**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	All returns			Joint returns of husbands and wives			Separate returns of husbands and wives			Returns of heads of households			Returns of surviving spouses			Returns of single persons		
	Number of returns	Amount	(2)	Number of returns	Amount	(4)	Number of returns	Amount	(6)	Number of returns	Amount	(8)	Number of returns	Amount	(10)	Number of returns	Amount	(12)
Adjusted gross income less deficit	40,667,008	1,725,713,762		28,247,663	1,387,194,877		315,040	10,697,306		3,083,410	84,556,290		50,655	1,626,525		8,970,240	261,638,764	
Salaries and wages	35,620,895	1,375,709,353		25,801,365	1,115,394,941		259,901	6,432,030		2,859,884	71,012,285		46,755	1,626,525		6,652,990	181,697,317	
Interest received	34,558,705	99,825,403		24,512,238	67,733,025		209,688	828,512		3,743,411	10,926,732		50,655	149,422		7,536,574	27,371,032	
Dividends in AGI	10,842,336	49,478,066		7,336,698	30,722,949		79,155	679,473		549,686	1,501,398		13,847	50,879		2,863,150	16,521,367	
State income tax refunds	19,480,920	9,367,626		14,438,508	7,294,595		124,066	64,954		1,462,526	535,949		29,544	19,726		3,426,402	1,452,402	
Alimony received	285,761	2,568,338		†	†		†	†		157,221	1,660,185		—	—		78,774	806,906	
Business or profession:																		
Net income	5,367,820	84,242,163		4,506,920	71,906,392		29,038	761,313		230,438	2,677,906		4,609	72,757		596,815	8,823,794	
Net loss	1,926,245	10,478,515		1,579,341	8,613,052		9,042	107,531		84,584	277,370		*13	*2,348		253,265	1,476,214	
Sales of capital assets:																		
Net gain	8,800,414	118,910,126		6,263,462	94,793,347		68,374	1,811,577		424,938	3,312,835		3,637	63,959		2,040,003	18,928,408	
Net loss	1,721,826	2,664,391		1,270,965	1,957,000		7,255	3,557		47,916	81,880		*5,703	*10,083		389,987	611,870	
Sales of property other than capital assets	1,109,427	1,232,473		900,688	1,152,974		12,871	60,890		27,899	-80,994		*206	*-1,108		167,763	100,710	
Pensions and annuities in AGI	7,433,556	61,161,563		5,381,711	47,687,362		49,283	406,916		400,984	2,031,408		9,790	109,145		1,591,788	10,926,732	
Rent net income less loss	6,101,688	-17,118,299		4,643,590	-14,478,937		31,133	-8,399		252,632	-574,758		5,642	-1,723		1,168,691	-2,054,477	
Royalty net income less loss	566,485	3,835,599		393,478	3,274,903		1,679	39,965		24,899	58,665		*1,327	*1,470		139,102	460,596	
Farm rental income less loss	291,286	848,467		189,140	468,688		*4,770	*-661		22,863	77,757		—	—		74,493	372,673	
Partnership and S Corporation net income less loss	4,395,093	10,034,794		3,470,396	8,962,987		28,362	-91,459		127,967	68,557		5,596	-40,734		782,772	1,135,444	
Estate or trust net income less loss	860,553	5,779,131		443,864	2,569,540		3,451	113,110		45,848	282,092		*303	*7,964		367,087	2,806,424	
Farm net income less loss	989,895	-3,878,893		866,382	-3,570,193		316	-33,328		22,601	76,984		*1,269	*-9,784		99,327	-342,573	
Unemployment compensation in AGI	2,928,825	4,329,334		2,375,272	3,572,104		*9,535	*12,261		161,922	256,189		*12,909	*29,299		369,187	459,481	
Social Security benefits in AGI	2,230,848	7,964,726		1,477,099	5,665,802		45,877	100,956		71,412	201,775		6,802	*20,929		629,658	1,975,264	
Other income less loss	3,487,605	4,540,847		2,727,672	3,673,074		37,052	-44,739		196,247	444,638		5,330	50,061		521,304	417,874	
Total statutory adjustments	25,762,898	80,009,029		21,851,113	69,163,268		95,893	326,903		850,706	2,303,616		29,599	56,088		2,935,587	8,159,155	
Payments to an IRA	11,718,118	29,925,476		9,016,456	25,047,067		6,049	93,136		649,144	1,159,511		16,458	32,916		1,985,518	3,592,845	
Payments to a Keogh plan	674,804	5,866,914		544,591	5,103,617		5,049	33,906		20,487	113,259		*621	*1,673		103,056	614,458	
Alimony paid	443,787	3,342,496		276,846	1,913,324		3,293	59,504		31,715	287,499		—	—		131,933	1,082,168	
Deduction for a working married couple	17,770,060	21,523,855		17,770,060	21,523,855		—	—		—	—		—	—		—	—	
Total itemized deductions	40,667,008	447,057,972		28,247,663	349,093,755		315,040	10,697,306		3,083,410	23,535,184		50,655	1,626,525		8,970,240	70,919,625	
Medical and dental expense deduction	10,541,784	25,112,007		7,193,944	14,700,535		86,537	244,803		979,251	1,393,292		23,163	42,309		2,258,889	8,731,068	
Taxes paid deduction	40,419,958	143,446,005		28,214,019	112,056,515		310,271	952,523		3,069,103	7,594,326		50,655	169,326		8,775,910	22,673,247	
Interest paid deduction	37,261,499	198,566,331		26,980,221	159,844,317		258,217	1,135,785		2,924,013	10,666,606		46,652	206,200		7,052,396	24,713,423	
Contributions deduction	36,714,257	53,815,979		26,337,573	42,677,028		263,164	422,791		2,761,266	2,187,995		50,647	37,140		7,301,607	8,491,025	
Net casualty or theft loss	244,375	1,331,081		136,121	1,057,855		*894	*5,654		*19,309	*35,046		—	—		88,051	232,526	
Miscellaneous deductions	33,453,767	26,786,569		23,741,028	18,757,505		249,830	286,761		2,517,824	1,657,850		50,059	24,117		6,895,026	6,078,336	
Excess itemized deductions	40,169,452	313,333,998		28,244,707	245,430,207		307,318	2,460,353		3,083,410	15,889,049		50,655	293,197		8,483,362	49,261,191	
Unused zero bracket amount	489,833	969,602		—	—		*2,955	*4,814		—	—		—	—		486,878	964,788	
Taxable income	39,844,323	1,293,200,112		27,769,404	1,019,867,005		292,143	7,854,735		3,040,485	60,738,004		50,655	1,193,159		8,691,636	203,547,210	
Total tax credits	9,080,299	4,193,931		7,141,598	3,537,569		33,937	30,480		1,022,698	374,295		13,718	4,722		868,348	246,865	
Child care credit	4,930,491	1,852,563		4,232,561	1,535,892		*5,861	*5,114		716,747	299,822		*7,070	*1,910		28,252	9,825	
Credit for the elderly and disabled	64,265	11,612		*20,215	*3,679		—	—		—	—		—	—		44,050	7,933	
Political contributions credit	3,445,041	191,112		2,579,338	158,076		24,141	1,053		204,738	7,648		3,598	52		633,226	24,283	
Foreign tax credit	313,739	383,656		218,310	344,915		†	†		23,813	5,533		†	†		71,549	26,016	
Earned income credit used to offset income tax before credits	203,485	19,638		68,371	4,599		—	—		132,158	14,938		*2,956	*101		—	—	
Mortgage interest credit	4,849	1,790		*67	*28		—	—		—	—		—	—		*4,782	*1,762	
General business credit	484,580	1,024,252		386,103	874,496		1,030	11,862		17,279	26,719		*500	*2,389		79,668	108,785	
Income tax after credits	38,582,174	279,983,280		27,071,835	223,065,835		279,520	2,277,510		2,866,003	10,364,989		47,697	219,537		8,317,119	44,035,409	
Alternative minimum tax	523,450	6,108,625		366,514	4,924,824		3,121	81,288		34,997	188,747		*564	*2,865		118,254	910,901	
Total income tax	38,628,679	286,094,154		27,109,206	228,012,764		279,985	2,358,878		2,866,395	10,553,736		47,697	222,402		8,332,396	44,946,374	
Total tax liability	39,050,048	295,811,311		27,505,500	236,302,528		287,770	2,436,809		10,871,442	33,665,024		50,655	229,283		8,411,279	45,971,249	
Total tax payments	39,067,052	306,499,100		27,658,357	241,112,002		294,292	2,437,636		2,989,546	13,365,024		50,654	253,731		8,074,203	49,520,706	
Income tax withheld	35,863,398	230,683,279		25,924,425	184,119,099		260,333	1,073,096		2,859,349	11,401,271		46,412	198,669		6,772,879	33,891,144	
Estimated tax payments	6,293,265	57,668,734		4,146,331	42,374,714		58,102	832,650		253,329	1,482,847		8,106	36,420		1,827,399	12,943,103	
Overpayment refunded	28,617,664	46,817,789		19,983,049	34,739,533		167,898	235,333		3,622,173	5,923,999		27,524	49,415		5,923,134	8,171,334	
Tax due at time of filing	10,099,074	43,324,977		7,212,523	35,340,717		121,597	534,873		479,362	1,267,806		19,755	28,213		2,265,837	6,153,369	

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.  
NOTE: Detail may not add to total because of rounding.



**Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for age 65 or over				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total .....	103,045,170	245,752,978	150,973,571	12,951,451	17,395,776	303,598,379	10,200,961	51,006,241
Under \$5,000 .....	16,945,160	25,965,248	19,044,986	1,435,508	1,746,856	481,601	82,133	34,351
\$5,000 under \$10,000 .....	15,910,313	31,175,745	19,529,124	3,198,436	3,957,143	24,046,951	2,041,216	521,683
\$10,000 under \$15,000 .....	13,706,052	30,220,131	18,199,243	2,416,273	3,252,111	29,757,604	2,251,099	1,473,895
\$15,000 under \$20,000 .....	11,290,251	26,505,543	15,955,459	1,724,317	2,446,227	30,035,224	1,686,054	2,224,048
\$20,000 under \$25,000 .....	9,221,431	23,168,666	14,096,285	1,049,451	1,575,058	23,238,494	1,043,454	2,074,813
\$25,000 under \$30,000 .....	7,559,001	20,880,582	12,354,185	622,044	880,416	17,100,970	614,688	1,868,729
\$30,000 under \$35,000 .....	6,407,992	18,287,061	10,926,736	490,800	647,380	15,888,625	479,306	1,932,433
\$35,000 under \$40,000 .....	5,081,637	15,487,958	9,093,568	381,622	533,796	14,333,274	377,435	2,018,708
\$40,000 under \$45,000 .....	4,259,298	13,278,895	7,872,322	352,455	472,820	15,031,018	351,418	2,174,582
\$45,000 under \$50,000 .....	3,199,478	10,180,941	5,997,023	237,262	348,440	11,268,294	237,211	1,764,626
\$50,000 under \$55,000 .....	2,175,830	6,929,024	4,115,034	168,030	238,931	8,787,491	168,022	1,575,093
\$55,000 under \$60,000 .....	1,587,094	5,109,847	3,020,886	136,200	195,445	7,788,186	135,587	1,457,625
\$60,000 under \$75,000 .....	2,664,901	8,636,742	5,069,793	259,362	382,882	17,199,916	256,427	3,435,604
\$75,000 under \$100,000 .....	1,546,776	5,019,140	2,919,748	203,020	302,797	17,431,139	201,633	4,114,878
\$100,000 under \$200,000 .....	1,115,593	3,679,383	2,094,423	189,248	291,461	25,871,788	187,946	7,530,115
\$200,000 under \$500,000 .....	290,946	954,220	528,438	63,312	91,744	17,794,619	63,245	5,845,542
\$500,000 under \$1,000,000 .....	51,558	164,562	96,342	17,891	22,889	10,915,566	17,879	4,258,773
\$1,000,000 or more .....	31,859	109,290	59,976	6,220	9,380	16,627,619	6,208	6,700,742
Total taxable returns .....	83,967,413	203,805,919	126,595,101	10,200,961	13,703,151	291,182,295	10,200,961	51,006,241
Total nontexible returns .....	19,077,757	41,947,059	24,378,470	2,750,490	3,692,625	12,416,084	—	—

Size of adjusted gross income	Exemptions for blindness			Exemptions for dependents						
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Total				
				Number of returns	Amount	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
									Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Total .....	319,443	321,264	7,049,624	252,457	953,675	39,548,392	77,062,367	1,240,729,324	32,832,937	174,975,966
Under \$5,000 .....	32,779	32,779	77,208	*3	*479	2,763,375	5,140,627	- 15,518,613	39,185	168,586
\$5,000 under \$10,000 .....	74,469	74,469	575,757	*41,097	*12,543	4,086,284	7,615,009	31,066,367	987,846	235,028
\$10,000 under \$15,000 .....	61,980	61,980	748,315	61,980	34,313	4,487,566	8,706,797	56,323,548	3,896,501	2,322,618
\$15,000 under \$20,000 .....	*33,372	*33,372	*596,810	*33,372	*33,178	4,094,767	8,070,485	71,405,118	3,936,852	4,521,133
\$20,000 under \$25,000 .....	*33,374	*33,374	*741,982	*33,374	*54,319	3,877,831	7,463,949	87,068,103	3,816,983	6,871,586
\$25,000 under \$30,000 .....	*10,092	*10,092	*269,107	*10,092	*21,577	3,777,903	7,635,889	104,004,327	3,745,894	9,494,557
\$30,000 under \$35,000 .....	*20,183	*20,183	*665,476	*20,183	*78,081	3,423,188	6,692,762	111,282,971	3,406,698	11,442,205
\$35,000 under \$40,000 .....	*15,551	*15,551	*582,922	*15,551	*80,535	2,959,856	5,845,043	110,487,933	2,945,095	12,275,538
\$40,000 under \$45,000 .....	*12,683	*14,503	*556,613	*12,683	*72,922	2,507,869	4,919,250	106,334,033	2,500,761	12,897,489
\$45,000 under \$50,000 .....	*5,034	*5,034	*248,548	*5,034	*43,733	1,954,155	3,830,444	92,513,596	1,952,041	12,095,231
\$50,000 under \$55,000 .....	*4,566	*4,566	*243,058	*4,566	*39,907	1,328,194	2,570,493	69,569,067	1,326,936	9,628,864
\$55,000 under \$60,000 .....	*2,508	*2,508	*140,782	*2,508	*27,223	961,584	1,891,008	55,151,977	958,099	8,226,773
\$60,000 under \$75,000 .....	*7,078	*7,078	*466,721	*6,242	*70,806	1,621,416	3,176,989	107,491,041	1,618,550	17,210,350
\$75,000 under \$100,000 .....	*836	*836	*68,284	*836	*14,853	888,995	1,795,759	75,849,573	887,742	13,972,530
\$100,000 under \$200,000 .....	3,624	3,624	473,961	3,622	136,261	622,058	1,289,875	81,716,391	620,795	19,358,370
\$200,000 under \$500,000 .....	1,102	1,102	319,430	1,102	128,189	152,454	332,936	43,047,256	152,142	13,719,887
\$500,000 under \$1,000,000 .....	136	136	88,121	136	32,745	21,549	45,195	14,540,050	21,500	5,464,641
\$1,000,000 or more .....	76	77	186,529	76	72,012	19,348	39,857	38,396,584	19,317	15,070,580
Total taxable returns .....	252,457	254,278	6,713,075	252,457	953,675	32,832,937	63,253,389	1,218,704,485	32,832,937	174,975,966
Total nontaxable returns .....	66,986	66,986	336,549	—	—	6,715,455	13,808,978	22,024,839	—	—

Footnote(s) at end of table

**Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>Total</b> .....	<b>36,904,724</b>	<b>70,612,630</b>	<b>1,172,055,572</b>	<b>30,546,466</b>	<b>164,212,530</b>	<b>1,546,937</b>	<b>2,342,558</b>	<b>53,311,272</b>	<b>1,383,150</b>	<b>8,948,794</b>
Under \$5,000 .....	2,543,117	4,645,716	- 15,130,311	34,244	153,706	107,120	147,392	- 676,798	4,931	11,789
\$5,000 under \$10,000 .....	3,680,123	6,742,429	27,891,236	704,986	148,816	119,138	200,802	957,715	71,461	26,046
\$10,000 under \$15,000 .....	4,013,947	7,624,383	50,284,354	3,434,231	1,927,668	188,471	315,447	2,431,081	178,055	149,835
\$15,000 under \$20,000 .....	3,773,347	7,311,688	65,816,047	3,620,814	4,038,760	152,260	236,617	2,692,568	151,646	221,210
\$20,000 under \$25,000 .....	3,602,599	6,851,827	80,885,488	3,541,751	6,198,198	199,273	286,069	4,513,267	199,272	446,566
\$25,000 under \$30,000 .....	3,550,862	6,991,121	97,694,019	3,519,297	8,768,274	133,891	212,364	3,700,044	133,688	418,209
\$30,000 under \$35,000 .....	3,251,995	6,270,151	105,752,433	3,235,563	10,727,666	117,600	147,165	3,813,200	115,779	449,796
\$35,000 under \$40,000 .....	2,835,275	5,528,873	105,802,993	2,821,329	11,627,531	101,490	174,065	3,790,604	101,482	487,858
\$40,000 under \$45,000 .....	2,428,793	4,653,281	102,976,909	2,421,686	12,391,615	75,759	122,103	3,234,364	75,145	478,753
\$45,000 under \$50,000 .....	1,866,667	3,613,607	88,344,560	1,864,553	11,374,629	69,103	88,217	3,290,190	69,103	558,452
\$50,000 under \$55,000 .....	1,276,764	2,408,836	66,877,685	1,275,506	9,204,724	58,101	84,174	3,039,052	58,101	443,065
\$55,000 under \$60,000 .....	919,813	1,764,086	52,746,645	916,339	7,815,871	39,045	61,032	2,249,105	39,043	375,409
\$60,000 under \$75,000 .....	1,551,177	2,968,357	102,820,743	1,548,363	16,361,743	80,250	118,582	5,397,129	80,232	937,271
\$75,000 under \$100,000 .....	844,267	1,662,380	72,020,757	843,255	13,179,038	52,208	76,022	4,434,767	52,207	835,261
\$100,000 under \$200,000 .....	582,737	1,186,554	76,688,402	581,677	18,034,925	43,365	57,277	5,453,215	43,163	1,328,410
\$200,000 under \$500,000 .....	144,630	310,312	40,803,176	144,336	12,986,800	7,851	12,166	2,207,168	7,837	691,114
\$500,000 under \$1,000,000 .....	20,142	41,506	13,572,608	20,097	5,093,759	1,228	1,864	842,395	1,223	306,456
\$1,000,000 or more .....	18,469	37,523	36,207,829	18,439	14,178,809	784	1,200	1,942,207	782	783,293
<b>Total taxable returns</b> .....	<b>30,546,466</b>	<b>57,934,360</b>	<b>1,150,851,923</b>	<b>30,546,466</b>	<b>164,212,530</b>	<b>1,383,150</b>	<b>2,068,146</b>	<b>53,314,827</b>	<b>1,383,150</b>	<b>8,948,794</b>
<b>Total nontaxable returns</b> .....	<b>6,358,258</b>	<b>12,678,270</b>	<b>21,203,649</b>	<b>—</b>	<b>—</b>	<b>163,787</b>	<b>274,412</b>	<b>- 3,555</b>	<b>—</b>	<b>—</b>

Size of adjusted gross income	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>Total</b> .....	<b>1,527,512</b>	<b>1,744,066</b>	<b>43,408,641</b>	<b>1,274,123</b>	<b>6,205,239</b>	<b>1,773,079</b>	<b>2,363,113</b>	<b>38,714,274</b>	<b>1,371,627</b>	<b>4,343,723</b>
Under \$5,000 .....	105,051	133,757	- 420,820	97	6,215	158,960	213,762	112,192	* 16	* 3,653
\$5,000 under \$10,000 .....	190,426	217,220	1,448,284	94,022	26,022	329,452	454,558	2,510,156	141,217	40,238
\$10,000 under \$15,000 .....	253,403	299,266	3,152,952	209,112	150,553	371,211	467,701	4,701,201	330,116	215,866
\$15,000 under \$20,000 .....	210,257	238,864	3,597,678	205,488	266,019	232,687	283,316	4,041,013	223,151	265,978
\$20,000 under \$25,000 .....	145,509	159,813	3,255,190	145,507	288,131	125,144	166,240	2,830,757	122,189	231,188
\$25,000 under \$30,000 .....	148,198	185,199	4,093,119	147,957	369,683	171,379	247,205	4,781,837	171,379	423,819
\$30,000 under \$35,000 .....	105,320	113,868	3,405,602	105,319	362,135	112,941	161,578	3,682,749	112,882	372,466
\$35,000 under \$40,000 .....	89,329	90,165	3,388,565	88,311	387,433	42,780	51,940	1,594,802	42,780	182,329
\$40,000 under \$45,000 .....	48,799	52,163	2,060,450	47,907	226,862	69,741	91,703	2,965,335	69,128	352,965
\$45,000 under \$50,000 .....	54,064	59,839	2,589,232	54,064	326,573	45,381	68,781	2,173,115	45,381	288,217
\$50,000 under \$55,000 .....	33,241	36,139	1,740,311	33,039	247,803	32,430	41,344	1,712,029	32,429	236,728
\$55,000 under \$60,000 .....	28,644	29,257	1,643,809	28,634	248,576	25,989	36,633	1,502,662	25,988	245,771
\$60,000 under \$75,000 .....	50,746	56,137	3,391,397	50,695	513,776	25,554	33,913	1,675,631	25,554	275,731
\$75,000 under \$100,000 .....	32,705	36,912	2,775,742	32,414	505,724	14,770	20,445	1,245,227	14,770	256,749
\$100,000 under \$200,000 .....	24,916	27,493	3,278,917	24,674	810,504	10,890	18,551	1,417,012	10,890	328,937
\$200,000 under \$500,000 .....	5,118	5,994	1,506,889	5,099	477,040	3,048	4,464	881,047	3,036	279,798
\$500,000 under \$1,000,000 .....	1,111	1,224	752,722	1,110	288,950	466	601	315,120	465	116,799
\$1,000,000 or more .....	675	756	1,748,603	674	703,240	256	378	572,389	256	226,491
<b>Total taxable returns</b> .....	<b>1,274,123</b>	<b>1,442,904</b>	<b>42,335,009</b>	<b>1,274,123</b>	<b>6,205,239</b>	<b>1,371,627</b>	<b>1,807,979</b>	<b>36,528,642</b>	<b>1,371,627</b>	<b>4,343,723</b>
<b>Total nontaxable returns</b> .....	<b>253,389</b>	<b>301,162</b>	<b>1,073,632</b>	<b>—</b>	<b>—</b>	<b>401,452</b>	<b>555,134</b>	<b>2,185,632</b>	<b>—</b>	<b>—</b>

Footnote(s) at end of table.

**Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of exemptions other than age or blindness:								
	Total					One			
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount			Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Total .....	103,045,170	228,035,938	2,481,681,046	83,967,413	367,287,213	43,989,308	590,970,969	33,886,622	81,706,675
Under \$5,000 .....	16,945,160	24,185,613	747,860	3,764,298	705,959	13,072,125	25,693,304	3,706,870	390,027
\$5,000 under \$10,000 .....	15,910,313	27,144,133	119,228,053	11,302,273	4,501,830	9,840,264	72,774,791	9,257,745	4,071,332
\$10,000 under \$15,000 .....	13,706,052	26,906,040	170,367,883	12,871,560	11,438,531	6,943,908	85,484,888	6,850,192	7,827,195
\$15,000 under \$20,000 .....	11,290,251	24,025,944	196,731,308	11,064,250	17,340,658	5,081,234	88,276,505	5,048,179	10,234,196
\$20,000 under \$25,000 .....	9,221,431	21,560,234	206,549,084	9,139,455	20,882,788	3,205,826	71,611,190	3,196,376	9,699,401
\$25,000 under \$30,000 .....	7,559,001	19,990,074	207,876,373	7,499,447	22,850,962	2,037,675	55,922,769	2,027,662	8,218,648
\$30,000 under \$35,000 .....	6,407,992	17,619,498	208,147,859	6,373,949	24,763,865	1,435,582	46,579,880	1,431,605	7,384,344
\$35,000 under \$40,000 .....	5,081,637	14,938,611	190,013,309	5,060,304	23,864,638	791,303	29,603,476	791,243	5,075,771
\$40,000 under \$45,000 .....	4,259,298	12,791,572	180,736,954	4,249,907	24,113,000	492,108	20,828,207	492,049	3,632,302
\$45,000 under \$50,000 .....	3,199,478	9,827,467	151,471,909	3,197,056	21,631,224	294,779	13,877,400	294,770	2,678,970
\$50,000 under \$55,000 .....	2,175,830	6,685,527	114,016,861	2,173,058	17,214,281	182,140	9,532,372	181,527	1,876,771
\$55,000 under \$60,000 .....	1,587,094	4,911,894	90,974,023	1,582,994	14,572,167	121,227	6,918,058	121,226	1,459,167
\$60,000 under \$75,000 .....	2,664,901	8,246,782	176,840,884	2,658,549	30,673,386	191,504	12,771,962	188,562	2,894,521
\$75,000 under \$100,000 .....	1,546,776	4,715,507	131,926,730	1,543,446	26,280,965	136,076	11,750,272	135,453	2,902,221
\$100,000 under \$200,000 .....	1,115,593	3,384,298	146,973,805	1,113,163	37,289,197	109,398	14,125,260	109,084	4,260,369
\$200,000 under \$500,000 .....	290,946	861,374	82,840,607	290,429	27,066,736	46,002	13,272,799	45,946	4,262,781
\$500,000 under \$1,000,000 .....	51,558	141,537	33,670,463	51,467	12,928,118	5,307	3,564,871	5,287	1,405,488
\$1,000,000 or more .....	31,859	99,833	72,565,082	31,808	29,168,908	2,850	8,382,967	2,846	3,433,170
Total taxable returns .....	83,967,413	189,848,490	2,440,231,669	83,967,413	367,287,213	33,886,622	573,391,953	33,886,622	81,706,675
Total nontaxable returns .....	19,077,757	38,187,448	41,449,377	—	—	10,102,686	17,579,017	—	—

Size of adjusted gross income	Number of exemptions other than age or blindness—Continued							
	Two				Three			
	Number of returns	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
			Number of returns	Amount			Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Total .....	25,629,703	751,289,275	21,571,763	122,309,949	13,047,814	406,802,085	10,955,101	59,028,422
Under \$5,000 .....	2,125,484	~7,954,465	50,091	155,013	890,969	~4,381,245	4,369	53,484
\$5,000 under \$10,000 .....	3,288,683	25,159,712	1,597,353	347,705	1,328,355	10,243,352	347,727	67,173
\$10,000 under \$15,000 .....	3,451,254	43,347,329	3,254,454	2,203,944	1,418,539	17,959,883	1,267,523	807,741
\$15,000 under \$20,000 .....	2,920,923	51,060,663	2,885,279	3,821,540	1,389,385	24,270,735	1,345,942	1,632,879
\$20,000 under \$25,000 .....	2,771,656	62,078,484	2,759,977	5,838,211	1,277,479	28,551,955	1,270,023	2,343,463
\$25,000 under \$30,000 .....	2,161,992	59,500,976	2,142,398	6,509,205	1,216,914	33,463,727	1,205,792	3,320,472
\$30,000 under \$35,000 .....	1,844,724	59,789,786	1,831,148	7,159,521	1,138,448	37,001,186	1,130,682	3,983,476
\$35,000 under \$40,000 .....	1,514,762	56,806,410	1,508,250	7,531,647	946,514	35,334,665	944,352	4,274,041
\$40,000 under \$45,000 .....	1,347,313	57,294,810	1,345,088	8,139,181	890,779	37,757,946	890,759	4,875,756
\$45,000 under \$50,000 .....	1,016,803	48,237,169	1,016,303	7,429,903	671,037	31,671,554	670,201	4,423,939
\$50,000 under \$55,000 .....	696,533	36,542,277	695,632	5,985,371	466,119	24,403,292	465,862	3,614,373
\$55,000 under \$60,000 .....	522,654	29,963,834	522,039	5,089,856	337,190	19,307,531	337,113	3,024,680
\$60,000 under \$75,000 .....	890,215	59,065,800	889,612	11,031,431	561,616	37,323,976	560,660	6,294,936
\$75,000 under \$100,000 .....	544,745	46,279,787	543,291	9,841,096	267,204	22,755,551	266,959	4,460,052
\$100,000 under \$200,000 .....	399,648	53,223,333	398,735	14,270,897	194,924	25,301,022	194,899	6,359,277
\$200,000 under \$500,000 .....	96,704	27,768,773	96,545	9,515,935	41,989	11,971,657	41,903	3,918,552
\$500,000 under \$1,000,000 .....	25,484	16,107,726	25,459	6,270,592	6,802	4,622,591	6,790	1,775,919
\$1,000,000 or more .....	10,126	27,016,872	10,109	11,168,898	3,551	9,242,708	3,545	3,798,208
Total taxable returns .....	21,571,763	742,199,654	21,571,763	122,309,949	10,955,101	400,345,625	10,955,101	59,028,422
Total nontaxable returns .....	4,057,940	9,089,621	—	—	2,092,713	6,456,461	—	—

Footnote(s) at end of table



**Table 2.3—All Returns: Exemptions by Type and Number of Exemptions, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of exemptions other than age or blindness—Continued							
	Four				Five or more			
	Number of returns	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
			Number of returns	Amount			Number of returns	Amount
	(58)	(57)	(59)	(59)	(60)	(61)	(62)	(63)
<b>Total</b> .....	<b>12,484,539</b>	<b>457,613,190</b>	<b>10,963,952</b>	<b>66,776,637</b>	<b>7,893,806</b>	<b>275,005,526</b>	<b>6,589,975</b>	<b>37,465,530</b>
Under \$5,000 .....	441,054	– 7,000,119	1,890	55,142	415,528	– 5,609,615	1,078	52,293
\$5,000 under \$10,000 .....	858,452	6,424,194	84,000	10,109	594,559	4,626,004	*15,448	*5,511
\$10,000 under \$15,000 .....	1,162,619	14,454,981	976,382	436,690	729,732	9,120,802	523,009	162,962
\$15,000 under \$20,000 .....	1,074,779	18,627,315	1,019,144	1,061,879	823,930	14,496,091	765,706	590,163
\$20,000 under \$25,000 .....	1,222,186	27,539,182	1,189,179	1,991,289	744,284	16,768,273	723,900	1,010,424
\$25,000 under \$30,000 .....	1,265,925	34,789,878	1,253,831	2,973,452	876,495	24,199,023	869,764	1,829,185
\$30,000 under \$35,000 .....	1,217,608	39,529,973	1,212,249	3,994,915	771,630	25,247,033	768,265	2,241,609
\$35,000 under \$40,000 .....	1,167,003	43,529,098	1,161,351	4,651,153	662,055	24,739,660	655,108	2,332,024
\$40,000 under \$45,000 .....	966,917	41,038,997	962,991	4,874,652	562,181	23,818,934	559,020	2,591,109
\$45,000 under \$50,000 .....	798,946	37,802,858	798,110	4,750,481	417,913	19,882,928	417,672	2,347,931
\$50,000 under \$55,000 .....	546,593	28,645,313	546,123	3,857,381	284,445	14,893,607	283,914	1,880,386
\$55,000 under \$60,000 .....	376,604	21,592,404	374,924	3,167,001	229,419	13,192,196	227,692	1,831,462
\$60,000 under \$75,000 .....	671,868	44,485,195	670,756	7,023,899	349,698	23,193,952	348,959	3,428,598
\$75,000 under \$100,000 .....	397,926	34,025,404	397,547	6,279,067	200,825	17,115,716	200,196	2,798,530
\$100,000 under \$200,000 .....	241,199	31,591,239	240,755	7,293,410	170,424	22,732,950	169,690	5,105,243
\$200,000 under \$500,000 .....	55,025	15,727,105	54,915	4,966,561	51,226	14,100,274	51,120	4,402,906
\$500,000 under \$1,000,000 .....	7,751	5,212,883	7,732	1,951,742	6,214	4,162,392	6,199	1,524,378
\$1,000,000 or more .....	12,084	19,597,291	12,073	7,437,815	3,248	8,325,243	3,235	3,330,818
<b>Total taxable returns</b> .....	<b>10,963,952</b>	<b>453,517,792</b>	<b>10,963,952</b>	<b>66,776,637</b>	<b>6,589,975</b>	<b>270,776,645</b>	<b>6,589,975</b>	<b>37,465,530</b>
<b>Total nontaxable returns</b> .....	<b>1,520,587</b>	<b>4,095,399</b>	<b>—</b>	<b>—</b>	<b>1,303,831</b>	<b>4,228,880</b>	<b>—</b>	<b>—</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
 NOTE: Detail may not add to total because of rounding

**Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of returns	Number of exemptions	Number of exemptions for taxpayers	Exemptions for age 65 or over				
				Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
							Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Number of returns	103,045,170	245,752,978	150,973,571	12,951,451	17,395,776	303,598,379	10,200,961	51,006,241
Joint returns of husbands and wives	47,870,191	165,336,336	95,740,382	6,995,023	11,439,348	202,351,829	5,634,766	35,795,858
Separate returns of husbands and wives:								
Total	1,015,006	1,779,484	1,073,216	109,796	109,796	2,914,756	90,642	726,008
Spouse filing	956,796	1,604,636	956,796	↑	↑	↑	↑	↑
Spouse not filing	58,210	174,848	116,420	↑	↑	↑	↑	↑
Returns of heads of households	10,278,531	27,015,116	10,278,531	278,542	278,542	5,370,824	224,586	767,939
Returns of surviving spouses	81,926	238,443	81,926	*18,503	*18,503	*281,916	*13,735	*30,048
Returns of single persons	43,799,516	51,383,599	43,799,516	5,549,587	5,549,587	92,679,054	4,237,232	13,686,388

Marital status	Exemptions for blindness					Exemptions for dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Number of returns	319,443	321,264	7,049,624	252,457	953,675	39,548,392	77,062,367	1,240,729,324	32,832,937	174,975,966
Joint returns of husbands and wives	167,672	169,493	4,694,067	142,667	678,526	28,398,897	57,987,113	1,061,014,813	25,366,042	155,898,903
Separate returns of husbands and wives:										
Total	*58	*58	*21,313	*58	*8,538	357,776	596,414	4,622,734	291,959	777,315
Spouse filing	↑	↑	↑	↑	↑	335,742	537,987	4,418,913	278,167	759,245
Spouse not filing	↑	↑	↑	↑	↑	*22,034	*58,427	*203,821	*13,792	*18,070
Returns of heads of households	*5,384	*5,384	*87,893	*5,384	*12,665	9,413,418	16,452,659	146,521,541	6,014,173	13,917,602
Returns of surviving spouses	—	—	—	—	—	81,926	138,014	1,870,685	64,578	249,756
Returns of single persons	146,329	146,329	2,246,351	104,348	253,945	1,296,375	1,888,167	26,699,551	1,096,185	4,132,391

Marital status	Exemptions for dependents—Continued									
	Exemptions for children at home					Exemptions for children away from home				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
Number of returns	36,904,724	70,612,630	1,172,055,572	30,546,466	164,212,530	1,546,937	2,342,558	53,311,272	1,383,150	8,948,794
Joint returns of husbands and wives	27,631,073	55,026,916	1,030,101,608	24,682,113	150,389,567	697,906	1,058,585	32,958,737	659,148	5,686,058
Separate returns of husbands and wives:										
Total	298,212	492,789	3,847,332	237,859	659,889	45,320	82,411	660,271	44,610	107,092
Spouse filing	276,178	434,362	3,643,511	224,067	641,819	45,320	82,411	660,271	44,610	107,092
Spouse not filing	*22,034	*58,427	*203,821	*13,792	*18,070	—	—	—	—	—
Returns of heads of households	8,412,641	14,279,713	128,996,662	5,198,024	11,899,043	248,048	400,754	4,646,367	170,400	606,357
Returns of surviving spouses	81,926	132,172	1,870,685	64,578	249,756	*1,075	*1,075	*101,315	*1,075	*17,425
Returns of single persons	480,872	681,040	7,239,286	363,892	1,014,275	554,588	799,733	14,944,582	507,917	2,531,861

Marital status	Exemptions for dependents—Continued									
	Exemptions for parents					Exemptions for other dependents				
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount				Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
Number of returns	1,527,512	1,744,066	43,408,641	1,274,123	6,205,239	1,773,079	2,363,113	38,714,274	1,371,627	4,343,723
Joint returns of husbands and wives	697,613	808,376	28,375,846	614,886	4,499,837	767,539	1,093,236	23,678,621	642,632	2,943,657
Separate returns of husbands and wives:										
Total	6,601	6,602	95,082	1,830	16,367	14,586	14,612	152,064	9,813	27,713
Spouse filing	6,601	6,602	95,082	1,830	16,367	14,586	14,612	152,064	9,813	27,713
Spouse not filing	—	—	—	—	—	—	—	—	—	—
Returns of heads of households	701,600	772,181	12,949,072	553,510	1,433,550	793,933	1,000,011	11,542,190	564,075	930,130
Returns of surviving spouses	—	—	—	—	—	*4,767	*4,767	—	—	—
Returns of single persons	121,698	156,907	1,988,642	103,897	255,485	192,254	250,487	3,341,399	155,107	442,222

Footnote(s) at end of table

**Table 2.4—All Returns: Exemptions by Type, and Number of Exemptions, by Marital Status—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status	Number of exemptions other than age or blindness:								
	Total					One			
	Number of returns	Number of exemptions	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
				Number of returns	Amount			Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)
Number of returns . . . . .	103,045,170	228,035,938	2,481,681,046	83,967,413	367,287,213	43,989,308	590,970,969	33,886,622	81,706,675
Joint returns of husbands and wives . . . . .	47,870,191	153,727,495	1,710,618,197	42,590,214	266,460,002	—	—	—	—
Separate returns of husbands and wives:									
Total . . . . .	1,015,006	1,669,630	15,231,848	835,487	3,029,020	621,054	10,231,745	519,846	2,208,232
Spouse filing . . . . .	956,796	1,494,783	14,650,658	798,013	2,967,477	621,054	10,231,745	519,846	2,208,232
Spouse not filing . . . . .	58,210	174,847	581,190	37,474	61,543	—	—	—	—
Returns of heads of households . . . . .	10,278,531	26,731,190	162,224,864	6,726,837	15,853,019	865,113	15,703,323	712,664	1,935,417
Returns of surviving spouses . . . . .	81,926	219,940	1,870,685	64,578	249,756	—	—	—	—
Returns of single persons . . . . .	43,799,516	45,687,683	591,735,452	33,750,297	81,695,416	42,503,141	565,035,902	32,654,112	77,563,026

Marital status	Number of exemptions other than age or blindness—Continued							
	Two				Three			
	Number of returns	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
			Number of returns	Amount			Number of returns	Amount
	(48)	(49)	(50)	(51)	(52)	(53)	(54)	(55)
Number of returns . . . . .	25,629,703	751,289,275	21,571,763	122,309,949	13,047,814	406,802,085	10,955,101	59,028,422
Joint returns of husbands and wives . . . . .	19,471,294	649,603,384	17,224,172	110,561,099	9,942,000	358,059,995	8,994,025	54,059,498
Separate returns of husbands and wives:								
Total . . . . .	230,870	2,946,339	181,928	452,445	94,280	1,262,998	79,186	246,788
Spouse filing . . . . .	194,694	2,568,970	158,246	408,972	†	†	†	†
Spouse not filing . . . . .	36,176	377,369	23,682	43,473	†	†	†	†
Returns of heads of households . . . . .	5,023,592	80,192,587	3,387,348	8,467,034	2,658,919	39,991,040	1,587,559	3,542,011
Returns of surviving spouses . . . . .	41,209	867,340	33,469	117,848	28,714	752,459	23,877	101,459
Returns of single persons . . . . .	862,738	17,679,625	744,846	2,711,523	323,901	6,735,594	270,454	1,078,667

Marital status	Number of exemptions other than age or blindness—Continued							
	Four				Five or more			
	Number of returns	Adjusted gross income less deficit	Total income tax		Number of returns	Adjusted gross income less deficit	Total income tax	
			Number of returns	Amount			Number of returns	Amount
	(56)	(57)	(58)	(59)	(60)	(61)	(62)	(63)
Number of returns . . . . .	12,484,539	457,613,190	10,963,952	66,776,637	7,893,806	275,005,526	6,589,975	37,465,530
Joint returns of husbands and wives . . . . .	11,215,842	437,745,997	10,147,761	65,051,733	7,241,055	265,208,821	6,224,256	36,787,672
Separate returns of husbands and wives:								
Total . . . . .	59,130	703,794	49,634	99,479	9,672	86,972	4,893	22,076
Spouse filing . . . . .	41,921	543,356	40,667	82,400	†	†	†	†
Spouse not filing . . . . .	*17,209	*160,438	*8,967	*17,079	†	†	†	†
Returns of heads of households . . . . .	1,120,429	17,240,990	706,251	1,322,407	610,478	9,096,923	333,015	586,150
Returns of surviving spouses . . . . .	*8,635	*159,977	*3,866	*20,890	*3,368	*90,910	*3,366	*9,558
Returns of single persons . . . . .	80,503	1,762,433	56,440	282,127	29,233	521,900	24,445	60,074

\*Estimate should be used with caution because of the small number of sample returns on which it is based.

†Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

() Less than \$500.

NOTE: Detail may not add to total because of rounding.



**Table 2.5—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Adjusted gross income less deficit	Salaries and wages		Interest received		Dividends in adjusted gross income		Total net income less loss from business activities <sup>1</sup>	
			Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All returns, total	12,951,451	303,598,379	4,195,667	61,223,811	12,178,167	90,043,593	5,049,644	30,011,676	2,232,807	6,516,511
No adjusted gross income	112,576	-3,883,275	15,907	344,861	92,015	575,815	24,018	190,475	85,682	-3,058,717
\$1 under \$5,000	1,322,932	4,364,876	287,108	935,027	1,140,808	2,133,062	288,851	317,383	220,076	-367,092
\$5,000 under \$10,000	3,198,436	24,046,951	886,421	4,247,105	2,936,412	10,822,455	813,322	1,221,419	287,407	123,764
\$10,000 under \$15,000	2,416,273	29,757,604	761,908	5,713,298	2,260,756	10,757,121	695,290	1,343,860	211,171	356,753
\$15,000 under \$20,000	1,724,317	30,035,224	562,933	5,593,931	1,686,640	12,132,335	666,947	2,136,366	245,870	179,981
\$20,000 under \$25,000	1,049,451	23,238,494	365,764	3,943,739	1,004,991	7,797,594	573,023	2,350,978	199,442	344,752
\$25,000 under \$30,000	622,044	17,100,970	237,600	4,153,588	589,952	5,754,507	308,899	1,146,499	120,562	176,884
\$30,000 under \$40,000	872,422	30,221,900	358,586	7,188,150	850,418	8,515,612	470,166	2,486,522	201,583	718,336
\$40,000 under \$50,000	589,717	26,299,313	259,086	6,808,574	584,533	6,796,966	378,508	2,654,243	179,589	883,766
\$50,000 under \$75,000	563,592	33,775,592	243,926	7,205,705	556,146	8,853,532	425,891	4,339,593	214,048	1,136,290
\$75,000 under \$100,000	203,020	17,431,139	78,082	3,066,785	201,742	4,457,690	161,850	2,479,794	85,259	882,173
\$100,000 under \$200,000	189,248	25,871,788	97,333	6,073,926	186,775	4,814,461	163,966	3,343,815	115,896	1,612,584
\$200,000 under \$500,000	63,312	17,794,619	30,739	3,218,520	62,979	3,286,011	56,312	2,813,088	45,215	954,361
\$500,000 under \$1,000,000	17,891	10,915,566	6,030	1,124,294	17,813	1,828,788	16,818	1,104,890	15,714	1,134,210
\$1,000,000 or more	6,220	16,627,619	4,244	1,606,306	6,187	1,517,640	5,783	2,082,751	5,293	1,438,468
Taxable returns, total	10,200,961	291,182,295	3,494,744	58,129,109	9,767,847	82,839,175	4,367,594	28,557,329	1,732,515	9,526,903
No adjusted gross income	3,528	-139,473	1,049	81,068	3,420	107,451	1,165	40,856	3,528	-468,694
\$1 under \$5,000	78,605	380,467	*12,490	*38,965	73,837	331,033	*23,207	*24,955	*7,092	*-88,730
\$5,000 under \$10,000	2,041,216	15,955,733	531,957	2,729,593	1,912,015	7,704,834	522,474	758,040	148,952	135,346
\$10,000 under \$15,000	2,251,099	27,830,058	727,379	5,502,885	2,105,117	9,931,085	643,114	1,248,481	169,958	345,479
\$15,000 under \$20,000	1,686,054	29,400,132	**917,338	**9,448,756	1,648,377	11,774,289	645,943	2,078,043	236,213	242,741
\$20,000 under \$25,000	1,043,454	23,107,312	**	**	998,994	7,778,739	568,252	2,263,571	198,212	376,894
\$25,000 under \$30,000	614,688	16,885,333	237,359	4,147,164	582,596	5,624,369	305,295	1,100,449	119,934	182,879
\$30,000 under \$40,000	856,741	29,670,232	349,850	7,151,883	834,737	8,337,493	455,300	2,388,214	192,629	722,055
\$40,000 under \$50,000	588,629	26,252,897	257,998	6,773,996	583,445	6,778,946	377,420	2,650,483	178,501	899,333
\$50,000 under \$75,000	560,036	33,551,657	243,313	7,198,619	552,590	8,763,480	422,393	4,257,480	212,164	1,132,358
\$75,000 under \$100,000	201,633	17,321,118	78,022	3,065,290	200,355	4,410,349	161,127	2,474,722	83,872	863,151
\$100,000 under \$200,000	187,946	25,720,191	97,026	6,050,563	185,473	4,736,955	163,069	3,296,189	115,315	1,635,546
\$200,000 under \$500,000	63,245	17,776,783	30,701	3,214,283	62,914	3,277,757	56,255	2,808,484	45,161	959,636
\$500,000 under \$1,000,000	17,879	10,907,094	6,025	1,123,140	17,802	1,825,919	16,809	1,095,237	15,703	1,139,682
\$1,000,000 or more	6,208	16,562,761	4,237	1,602,905	6,175	1,456,474	5,771	2,072,126	5,281	1,449,228
Nontaxable returns, total	2,750,490	12,416,084	700,923	3,094,702	2,410,320	7,204,417	682,050	1,454,347	500,292	-3,010,391

Size of adjusted gross income	Sales of capital assets net gain less loss		Sales of property other than capital assets net gain less loss		Pensions and annuities				Rent net income less loss	
	Number of returns	Amount	Number of returns	Amount	Total		In adjusted gross income		Number of returns	Amount
					Number of returns	Amount	Number of returns	Amount		
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All returns, total	4,142,767	37,640,483	343,668	461,529	7,632,721	69,976,042	7,514,613	60,799,094	1,934,450	4,089,039
No adjusted gross income	29,290	629,784	8,966	-98,000	25,293	288,704	25,271	278,963	44,979	-396,858
\$1 under \$5,000	223,753	136,159	*27,872	*-87,825	515,265	1,358,177	498,008	1,178,594	173,763	11,335
\$5,000 under \$10,000	500,944	352,857	*31,866	*-1,640	1,729,759	7,292,749	1,707,734	6,637,330	360,999	230,795
\$10,000 under \$15,000	497,025	391,567	*45,331	*129,154	1,599,475	11,260,081	1,582,218	10,349,762	274,544	393,699
\$15,000 under \$20,000	586,511	916,261	*24,412	*29,369	1,102,677	9,772,182	1,094,954	8,498,192	204,086	271,993
\$20,000 under \$25,000	431,633	1,004,425	*14,999	*32,616	723,425	7,627,767	705,343	7,053,991	185,184	342,080
\$25,000 under \$30,000	292,134	674,502	37,880	29,695	419,417	4,521,879	414,233	4,325,085	104,968	205,172
\$30,000 under \$40,000	415,861	1,767,751	17,965	5,526	568,478	7,579,999	564,501	6,926,642	139,240	232,573
\$40,000 under \$50,000	346,844	1,496,949	43,123	91,468	355,813	7,229,378	346,021	5,366,180	117,599	267,492
\$50,000 under \$75,000	397,318	3,297,299	21,778	97,433	339,878	6,207,968	330,948	5,625,384	147,731	526,010
\$75,000 under \$100,000	168,539	2,861,540	15,345	5,254	120,407	2,694,559	118,060	2,121,208	63,743	393,327
\$100,000 under \$200,000	169,932	6,249,271	27,127	125,038	102,484	2,632,936	98,466	1,697,819	68,319	481,370
\$200,000 under \$500,000	59,370	5,411,697	15,669	54,477	24,264	1,088,361	23,198	518,928	33,132	439,388
\$500,000 under \$1,000,000	17,530	3,153,615	9,784	16,979	3,775	189,664	3,497	89,703	12,973	582,061
\$1,000,000 or more	6,083	9,296,808	1,551	31,987	2,311	231,640	2,161	131,312	3,190	108,601
Taxable returns, total	3,632,537	36,774,267	293,035	686,654	6,353,408	64,427,390	6,269,831	55,891,406	1,539,208	4,357,165
No adjusted gross income	3,524	268,221	2,905	10,683	515	20,224	509	19,722	892	-24,853
\$1 under \$5,000	*18,439	*-3,472	-	-	*21,394	*69,723	*21,394	*69,723	*13,671	*7,993
\$5,000 under \$10,000	288,187	199,734	*22,330	*30,672	1,086,331	4,286,615	1,081,563	4,052,333	210,563	181,643
\$10,000 under \$15,000	467,495	325,940	*38,446	*121,801	1,518,790	10,673,985	1,501,533	9,785,524	250,704	326,279
\$15,000 under \$20,000	567,384	845,421	*24,356	*25,193	1,085,418	9,653,360	1,077,695	8,379,369	197,497	262,868
\$20,000 under \$25,000	426,862	1,002,808	**52,875	**62,320	722,199	7,570,766	704,117	6,996,990	183,956	348,493
\$25,000 under \$30,000	288,143	652,871	**	**	415,812	4,495,378	410,628	4,302,093	104,340	257,099
\$30,000 under \$40,000	412,077	1,758,816	17,949	9,599	556,582	7,402,920	552,605	6,754,224	135,046	210,186
\$40,000 under \$50,000	345,756	1,499,470	43,072	100,129	354,776	7,223,296	344,984	5,360,174	116,511	254,607
\$50,000 under \$75,000	395,484	3,291,630	21,770	98,233	339,257	6,206,934	330,327	5,624,351	146,460	523,991
\$75,000 under \$100,000	167,152	2,842,419	15,286	5,097	119,793	2,686,439	117,446	2,113,088	63,019	394,436
\$100,000 under \$200,000	169,111	6,233,388	27,068	119,820	102,222	2,629,729	98,204	1,694,611	67,313	487,007
\$200,000 under \$500,000	59,323	5,408,639	15,651	54,271	24,241	1,087,613	23,175	518,244	33,090	439,343
\$500,000 under \$1,000,000	17,522	3,152,240	9,781	17,187	3,771	188,819	3,494	89,697	12,966	579,386
\$1,000,000 or more	6,078	9,296,143	1,546	31,648	2,307	231,591	2,157	131,263	3,180	108,686
Nontaxable returns, total	510,230	866,216	50,633	-225,124	1,279,313	5,548,652	1,244,782	4,907,688	395,242	-268,126

Footnote(s) at end of table

**Table 2.5—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Royalty net income less loss		Estate or trust net income less loss		Social Security benefits			
	Number of returns	Amount	Number of returns	Amount	Total		In adjusted gross income	
					Number of returns	Amount	Number of returns	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)
<b>All returns, total</b> .....	<b>375,730</b>	<b>3,062,886</b>	<b>399,828</b>	<b>3,004,371</b>	<b>7,150,835</b>	<b>59,862,030</b>	<b>2,554,480</b>	<b>9,309,947</b>
No adjusted gross income .....	2,011	50,673	5,486	6,421	58,314	466,511	281	1,502
\$1 under \$5,000 .....	*23,226	*23,298	*9,536	*20,726	572,654	4,018,019	**	**
\$5,000 under \$10,000 .....	51,048	66,785	*33,375	*114,982	1,537,527	11,282,156	*4,769	*12,698
\$10,000 under \$15,000 .....	44,052	52,300	*41,096	*162,027	1,151,496	9,444,764	*4,775	*9,331
\$15,000 under \$20,000 .....	44,060	100,377	38,978	189,894	785,935	6,691,240	*9,592	*41,902
\$20,000 under \$25,000 .....	67,155	110,219	33,376	26,181	526,474	4,708,712	117,837	115,560
\$25,000 under \$30,000 .....	24,597	49,594	*23,546	*139,610	421,410	3,924,996	341,228	541,288
\$30,000 under \$40,000 .....	21,694	57,483	40,566	258,812	744,254	6,137,419	730,799	2,097,987
\$40,000 under \$50,000 .....	15,296	43,086	43,856	272,786	501,721	4,225,358	494,993	2,010,649
\$50,000 under \$75,000 .....	38,162	251,925	51,972	419,837	477,868	4,597,774	477,033	2,294,301
\$75,000 under \$100,000 .....	13,735	48,626	19,430	266,113	168,403	1,817,299	168,403	908,633
\$100,000 under \$200,000 .....	12,806	173,028	28,886	437,168	148,969	8,768,312	148,969	923,566
\$200,000 under \$500,000 .....	7,709	294,883	18,127	313,707	43,939	548,226	43,939	274,297
\$500,000 under \$1,000,000 .....	9,207	1,670,300	10,025	133,603	7,424	94,748	7,422	47,363
\$1,000,000 or more .....	972	116,906	1,573	242,504	4,447	61,729	4,440	30,870
<b>Taxable returns, total</b> .....	<b>324,614</b>	<b>3,016,598</b>	<b>341,888</b>	<b>2,835,280</b>	<b>5,867,086</b>	<b>50,042,702</b>	<b>2,529,944</b>	<b>9,219,342</b>
No adjusted gross income .....	45	3,191	567	3,535	2,478	23,111	*251	*1,279
\$1 under \$5,000 .....	—	—	—	—	*23,208	*129,448	—	—
\$5,000 under \$10,000 .....	*28,613	*60,154	*9,536	*22,734	982,028	6,777,830	—	—
\$10,000 under \$15,000 .....	44,052	52,300	*31,560	*128,603	1,069,208	8,768,312	*4,768	*9,312
\$15,000 under \$20,000 .....	44,060	100,377	34,210	185,054	764,929	6,556,517	*9,535	*41,624
\$20,000 under \$25,000 .....	67,152	109,848	*33,373	*26,109	525,859	4,698,706	117,223	115,522
\$25,000 under \$30,000 .....	*21,233	*35,441	*20,182	*129,138	414,295	3,879,391	334,113	519,647
\$30,000 under \$40,000 .....	21,694	57,483	40,364	259,685	736,897	6,082,302	723,442	2,072,845
\$40,000 under \$50,000 .....	*15,245	*42,984	43,805	272,918	501,670	4,224,232	494,942	2,010,086
\$50,000 under \$75,000 .....	38,162	251,925	51,128	418,799	475,148	4,565,140	474,313	2,277,984
\$75,000 under \$100,000 .....	13,682	48,528	18,816	262,250	167,688	1,800,755	167,688	900,361
\$100,000 under \$200,000 .....	12,806	173,028	28,644	436,264	147,929	1,832,963	147,929	918,508
\$200,000 under \$500,000 .....	7,698	293,923	18,112	313,752	43,892	547,649	43,892	274,008
\$500,000 under \$1,000,000 .....	**	**	10,022	133,477	7,418	94,710	7,416	47,344
\$1,000,000 or more .....	**10,172	**1,787,416	1,569	242,961	4,439	61,636	4,432	30,824
<b>Nontaxable returns, total</b> .....	<b>51,116</b>	<b>46,288</b>	<b>57,940</b>	<b>169,091</b>	<b>1,283,749</b>	<b>9,819,328</b>	<b>24,536</b>	<b>90,604</b>

Size of adjusted gross income	Total statutory adjustments		Exemptions		Returns with zero bracket amount only		Returns with itemized deductions			
	Number of returns	Amount	Total number of exemptions	Number of exemptions for age 65 or over	Number of returns	Zero bracket amount	Number of returns	Total itemized deductions	Zero bracket amount	
									Number of returns	Amount
	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
<b>All returns, total</b> .....	<b>1,815,617</b>	<b>4,719,757</b>	<b>38,408,219</b>	<b>17,395,776</b>	<b>7,809,672</b>	<b>22,358,599</b>	<b>4,579,330</b>	<b>52,200,047</b>	<b>4,258,900</b>	<b>13,089,580</b>
No adjusted gross income .....	6,175	10,723	345,686	154,231	—	—	—	—	—	—
\$1 under \$5,000 .....	57,743	50,007	3,367,371	1,592,625	767,637	1,076,155	117,911	917,106	44,052	52,534
\$5,000 under \$10,000 .....	168,226	189,635	8,572,238	3,957,143	2,553,405	6,729,638	632,542	4,124,283	497,759	1,074,088
\$10,000 under \$15,000 .....	207,191	360,105	7,244,563	3,252,111	1,721,620	5,404,448	694,653	4,717,272	638,555	1,909,579
\$15,000 under \$20,000 .....	250,641	459,119	5,388,124	2,446,227	1,166,409	3,807,143	557,908	3,759,612	528,972	1,691,998
\$20,000 under \$25,000 .....	197,127	378,852	3,447,446	1,575,058	610,258	2,069,204	439,193	3,071,444	434,416	1,430,085
\$25,000 under \$30,000 .....	149,531	317,647	1,979,469	880,416	313,740	1,021,035	308,304	2,776,846	300,947	974,608
\$30,000 under \$40,000 .....	221,565	562,548	2,705,496	1,181,176	341,391	1,102,634	531,031	4,754,311	523,613	1,674,415
\$40,000 under \$50,000 .....	171,534	542,579	1,900,528	821,260	180,404	624,254	409,313	4,310,079	408,693	1,332,630
\$50,000 under \$75,000 .....	194,442	723,308	1,842,975	817,258	123,316	417,037	440,276	5,681,087	437,617	1,452,180
\$75,000 under \$100,000 .....	70,393	343,243	678,885	302,797	20,251	69,064	182,769	3,081,035	180,998	605,486
\$100,000 under \$200,000 .....	84,610	456,589	649,338	291,461	9,242	31,106	180,006	4,867,978	178,208	607,092
\$200,000 under \$500,000 .....	21,693	169,318	206,712	91,744	1,713	5,910	61,599	4,818,012	61,358	201,935
\$500,000 under \$1,000,000 .....	12,143	97,586	57,781	22,889	246	836	17,645	1,911,910	17,572	61,900
\$1,000,000 or more .....	2,603	58,498	21,607	9,380	40	135	6,180	3,408,610	6,140	21,050
<b>Taxable returns, total</b> .....	<b>1,667,185</b>	<b>4,577,308</b>	<b>30,359,472</b>	<b>13,703,151</b>	<b>6,327,160</b>	<b>19,525,646</b>	<b>3,870,273</b>	<b>43,796,016</b>	<b>3,863,807</b>	<b>12,391,540</b>
No adjusted gross income .....	562	3,500	8,717	4,216	—	—	—	—	—	—
\$1 under \$5,000 .....	—	—	157,210	78,605	73,837	180,041	*4,768	*12,306	*4,768	*11,825
\$5,000 under \$10,000 .....	107,176	135,947	4,794,487	2,267,890	1,798,438	4,915,235	908,669	242,778	242,778	628,385
\$10,000 under \$15,000 .....	185,376	339,464	6,734,810	3,011,538	1,689,753	5,288,903	561,346	2,899,121	561,346	1,758,087
\$15,000 under \$20,000 .....	**447,710	**836,609	5,282,918	2,398,420	**2,765,092	**9,141,332	521,522	3,058,312	521,249	1,672,740
\$20,000 under \$25,000 .....	**	**	3,432,996	1,567,834	**	**	433,196	2,918,789	433,188	1,426,813
\$25,000 under \$30,000 .....	149,290	316,562	1,964,515	873,059	**	**	300,948	2,529,526	297,583	973,582
\$30,000 under \$40,000 .....	220,742	559,378	2,650,323	1,154,203	**	**	515,350	4,197,147	515,289	1,644,544
\$40,000 under \$50,000 .....	170,648	539,705	1,895,341	819,919	**	**	408,225	4,261,327	407,807	1,330,234
\$50,000 under \$75,000 .....	194,442	723,308	1,833,693	813,089	**	**	436,720	5,368,743	435,741	1,448,600
\$75,000 under \$100,000 .....	70,285	341,629	674,012	300,696	**	**	181,382	2,953,656	180,998	605,486
\$100,000 under \$200,000 .....	84,542	456,041	644,649	289,802	**	**	178,704	4,657,629	178,006	606,405
\$200,000 under \$500,000 .....	21,672	169,122	206,486	91,643	**	**	61,532	4,796,177	61,346	201,900
\$500,000 under \$1,000,000 .....	**	**	57,751	22,875	**	**	17,634	1,897,683	**	**
\$1,000,000 or more .....	**14,740	**156,043	21,564	9,362	40	135	6,168	3,336,929	**23,708	**82,940
<b>Nontaxable returns, total</b> .....	<b>148,432</b>	<b>142,450</b>	<b>8,048,747</b>	<b>3,692,625</b>	<b>1,482,512</b>	<b>2,832,954</b>	<b>709,057</b>	<b>8,404,031</b>	<b>395,093</b>	<b>698,040</b>

Footnote(s) at end of table.



**Table 2.5—Returns of Taxpayers Age 65 or Over: Selected Income and Tax Items, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Returns with itemized deductions—Continued		Taxable income		Income tax before credits		Tax credits			
	Excess itemized deductions		Number of returns	Amount	Number of returns	Amount	Total		Credit for the elderly and disabled	
	Number of returns	Amount					Number of returns	Amount	Number of returns	Amount
	(39)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(47)	(48)
All returns, total	4,579,330	37,147,740	12,068,572	228,490,040	10,408,987	49,965,148	1,520,709	403,952	379,840	72,963
No adjusted gross income	—	—	—	—	*16	*121	*15	*119	—	—
\$1 under \$5,000	117,911	585,241	811,689	1,146,251	88,140	1,876	*9,535	*267	*9,535	*267
\$5,000 under \$10,000	632,542	2,342,961	3,051,164	12,494,099	2,200,969	567,506	343,405	45,823	222,874	31,873
\$10,000 under \$15,000	694,653	2,543,839	2,360,175	19,061,808	2,286,895	1,527,934	295,053	54,038	108,986	34,051
\$15,000 under \$20,000	557,908	1,980,825	1,695,381	21,628,817	1,687,658	2,236,671	134,701	15,663	*38,445	*6,772
\$20,000 under \$25,000	439,193	1,628,517	1,044,674	17,465,407	1,044,061	2,080,544	116,862	6,405	—	—
\$25,000 under \$30,000	308,304	1,777,110	614,687	12,999,019	614,687	1,879,898	90,863	12,132	—	—
\$30,000 under \$40,000	531,031	3,056,208	865,004	24,115,477	864,801	3,963,523	119,191	33,067	—	—
\$40,000 under \$50,000	409,313	2,981,760	589,097	21,091,877	588,211	3,896,529	120,633	52,968	—	—
\$50,000 under \$75,000	440,276	4,216,846	560,933	27,504,235	558,271	6,335,389	107,647	21,818	—	—
\$75,000 under \$100,000	182,769	2,472,513	201,249	14,174,962	201,249	4,000,706	63,539	9,634	—	—
\$100,000 under \$200,000	180,006	4,245,588	187,450	20,998,373	187,006	7,164,715	67,218	28,127	—	—
\$200,000 under \$500,000	61,599	4,098,589	63,071	13,527,309	63,026	5,615,614	34,678	28,874	—	—
\$500,000 under \$1,000,000	17,645	1,849,769	17,818	9,020,424	17,818	4,172,706	13,117	20,770	—	—
\$1,000,000 or more	6,180	3,367,972	6,180	13,261,982	6,179	6,521,416	4,252	74,247	—	—
Taxable returns, total	3,870,273	30,848,513	10,190,967	224,404,640	10,193,017	49,993,070	1,304,739	331,875	217,131	40,695
No adjusted gross income	—	—	—	—	*9	*21	*8	*19	—	—
\$1 under \$5,000	*4,768	*482	78,605	206,476	78,605	1,609	—	—	—	—
\$5,000 under \$10,000	242,778	280,258	2,041,216	10,020,553	2,041,216	543,196	183,652	21,513	91,726	9,460
\$10,000 under \$15,000	561,346	1,141,032	2,251,099	18,644,354	2,251,099	1,510,378	259,257	36,483	86,960	24,463
\$15,000 under \$20,000	521,522	1,384,490	1,685,781	21,587,811	1,685,781	2,234,799	132,824	13,790	*38,445	*6,772
\$20,000 under \$25,000	433,196	1,492,118	1,043,446	17,459,759	1,043,446	2,080,271	116,247	6,131	—	—
\$25,000 under \$30,000	300,948	1,548,324	611,323	12,997,993	614,687	1,879,898	90,863	12,132	—	—
\$30,000 under \$40,000	515,350	2,552,138	856,680	23,923,986	856,679	3,938,275	111,069	7,819	—	—
\$40,000 under \$50,000	408,225	2,937,001	588,211	21,089,481	588,211	3,896,529	120,633	52,968	—	—
\$50,000 under \$75,000	436,720	3,914,119	559,057	27,500,559	558,221	6,335,378	107,597	21,807	—	—
\$75,000 under \$100,000	181,382	2,350,055	201,249	14,174,962	201,249	4,000,706	63,539	9,634	—	—
\$100,000 under \$200,000	178,704	4,039,609	187,248	20,993,881	186,804	7,164,522	67,016	27,934	—	—
\$200,000 under \$500,000	61,532	4,076,980	63,059	13,525,474	63,017	5,614,827	34,669	28,088	—	—
\$500,000 under \$1,000,000	17,634	1,835,574	**23,993	**22,279,351	**23,993	**10,692,660	**17,365	**93,555	—	—
\$1,000,000 or more	6,168	3,296,334	—	—	—	—	—	—	—	—
Nontaxable returns, total	709,057	6,299,227	1,877,605	4,085,400	215,970	72,077	215,970	72,077	162,709	32,267

Size of adjusted gross income	Tax credits—Continued		Income tax after credits		Alternative minimum tax		Total income tax		Total tax liability										
	Earned income credit used to offset income tax before credits		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount									
	Number of returns	Amount																	
	(49)	(50)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)									
All returns, total	57,210	6,260	10,190,991	49,561,195	175,209	1,444,978	10,200,961	51,006,241	10,400,962	52,179,218									
No adjusted gross income	—	—	—	—	3,526	32,736	3,528	32,742	15,202	40,321									
\$1 under \$5,000	—	—	**78,606	**1,611	—	—	78,605	1,609	176,861	23,497									
\$5,000 under \$10,000	*38,140	*4,939	2,041,216	521,683	—	—	2,041,216	521,683	2,108,047	599,809									
\$10,000 under \$15,000	*19,070	*1,321	2,251,099	1,473,895	—	—	2,251,099	1,473,895	2,269,812	1,562,704									
\$15,000 under \$20,000	—	—	1,685,781	2,221,008	*1,109	*3,039	1,686,054	2,224,048	1,686,110	2,330,074									
\$20,000 under \$25,000	—	—	1,043,445	2,074,140	*9	*674	1,043,454	2,074,813	1,044,683	2,142,345									
\$25,000 under \$30,000	—	—	614,678	1,867,767	*1,222	*962	614,688	1,868,729	614,688	1,914,102									
\$30,000 under \$40,000	—	—	856,679	3,930,456	22,123	20,686	856,741	3,951,142	856,749	4,048,453									
\$40,000 under \$50,000	—	—	588,196	3,843,560	30,789	95,647	588,629	3,939,208	588,882	4,093,211									
\$50,000 under \$75,000	—	—	556,415	6,313,571	35,799	154,751	560,036	6,468,322	561,249	6,629,919									
\$75,000 under \$100,000	—	—	201,197	3,991,072	24,959	123,807	201,633	4,114,878	202,918	4,209,108									
\$100,000 under \$200,000	—	—	186,743	7,136,588	37,417	393,463	187,946	7,530,115	188,397	7,659,847									
\$200,000 under \$500,000	—	—	62,943	5,586,739	13,510	258,802	63,245	5,845,542	63,269	5,885,482									
\$500,000 under \$1,000,000	—	—	17,815	4,151,936	2,746	106,838	17,879	4,258,773	17,882	4,327,125									
\$1,000,000 or more	—	—	6,178	6,447,168	2,000	253,574	6,208	6,700,742	6,213	6,713,221									
Taxable returns, total	*38,140	*5,120	10,190,991	49,561,195	175,209	1,444,978	10,200,961	51,006,241	10,200,961	52,097,223									
No adjusted gross income	—	—	—	—	3,526	32,736	3,528	32,742	3,528	33,171									
\$1 under \$5,000	—	—	**78,606	**1,611	—	—	78,605	1,609	78,605	1,609									
\$5,000 under \$10,000	*19,070	*3,800	2,041,216	521,683	—	—	2,041,216	521,683	2,041,216	567,677									
\$10,000 under \$15,000	*19,070	*1,321	2,251,099	1,473,895	—	—	2,251,099	1,473,895	2,251,099	1,550,101									
\$15,000 under \$20,000	—	—	1,685,781	2,221,008	*1,109	*3,039	1,686,054	2,224,048	1,686,054	2,329,785									
\$20,000 under \$25,000	—	—	1,043,445	2,074,140	*9	*674	1,043,454	2,074,813	1,043,454	2,139,886									
\$25,000 under \$30,000	—	—	614,678	1,867,767	*1,222	*962	614,688	1,868,729	614,688	1,914,102									
\$30,000 under \$40,000	—	—	856,679	3,930,456	22,123	20,686	856,741	3,951,142	856,741	4,048,412									
\$40,000 under \$50,000	—	—	588,196	3,843,560	30,789	95,647	588,629	3,939,208	588,629	4,092,332									
\$50,000 under \$75,000	—	—	556,415	6,313,571	35,799	154,751	560,036	6,468,322	560,036	6,629,710									
\$75,000 under \$100,000	—	—	201,197	3,991,072	24,959	123,807	201,633	4,114,878	201,633	4,205,688									
\$100,000 under \$200,000	—	—	186,743	7,136,588	37,417	393,463	187,946	7,530,115	187,946	7,659,090									
\$200,000 under \$500,000	—	—	62,943	5,586,739	13,510	258,802	63,245	5,845,542	63,245	5,885,362									
\$500,000 under \$1,000,000	—	—	17,815	4,151,936	2,746	106,838	17,879	4,258,773	17,879	4,327,107									
\$1,000,000 or more	—	—	6,178	6,447,168	2,000	253,574	6,208	6,700,742	6,208	6,713,191									
Nontaxable returns, total	*19,070	*1,139	—	—	—	—	—	—	200,001	81,995									

\* Estimate should be used with caution because of the small number of sample returns on which it is based

† Data combined to avoid disclosure of information for specific taxpayers

1 Consists of business or profession, farm, partnership, and Small Business Corporations net income less loss

NOTE: Detail may not add to total because of rounding



**Table 2.6—Returns of Taxpayers Age 65 or Over: Selected Tax Items by Marital Status of Taxpayer**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Marital status of taxpayer	All returns, total	Joint returns of husbands and wives				Separate returns of husbands and wives, total	Returns of heads of households, total	Returns of surviving spouses, total	Returns of single persons, total
		Total	Both taxpayers age 65 or over	Primary taxpayer age 65 or over; secondary taxpayer under 65	Secondary taxpayer age 65 or over; primary taxpayer under 65				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
<b>Number of returns</b> .....	<b>12,951,451</b>	<b>6,995,023</b>	<b>4,444,325</b>	<b>2,159,320</b>	<b>391,378</b>	<b>109,796</b>	<b>278,542</b>	<b>*18,503</b>	<b>5,549,587</b>
Adjusted gross income less deficit .....	303,598,379	202,351,829	126,024,815	65,185,070	11,141,944	2,914,756	5,370,824	*281,916	92,679,054
Exemptions									
Number of exemptions .....	38,408,219	26,115,256	18,005,519	6,902,559	1,207,178	228,665	739,570	*58,873	11,265,855
Amount .....	41,466,088	28,195,579	19,440,299	7,451,628	1,303,652	245,812	798,735	*63,583	12,162,380
Returns with zero bracket amount only									
Number of returns .....	7,809,672	3,956,880	2,558,581	1,189,827	208,472	55,810	148,946	*17,667	3,630,369
Zero bracket amount .....	22,358,599	13,481,895	8,707,791	4,041,480	732,624	100,523	344,729	*64,032	8,367,420
With nonitemizers contribution deduction									
Number of returns .....	*5,486,333	*2,895,257	*1,954,360	*803,450	*137,447	*27,202	*105,277	*12,899	*2,445,698
Amount .....	*3,884,358	*2,330,876	*1,683,505	*550,696	*96,675	*13,183	*39,771	*3,545	*1,496,982
Returns with itemized deductions									
Number of returns .....	4,579,330	2,696,009	1,627,982	888,501	179,526	49,192	111,968	*836	1,721,325
Total itemized deductions .....	52,200,047	32,272,865	19,033,608	11,421,078	1,818,179	603,800	978,254	*6,161	18,338,967
Zero bracket amount									
Number of returns .....	4,258,900	2,574,513	1,540,246	854,985	179,282	44,338	111,968	*836	1,527,245
Amount .....	13,089,580	9,151,438	5,476,364	3,035,328	639,746	76,158	277,680	*3,068	3,581,236
Excess itemized deductions									
Number of returns .....	4,579,330	2,696,009	1,627,982	888,501	179,526	49,192	111,968	*836	1,721,325
Amount .....	37,147,740	22,297,869	12,985,629	8,152,804	1,159,437	513,177	700,589	*3,093	13,633,012
Taxable income									
Number of returns .....	12,068,572	6,531,393	4,098,827	2,044,812	387,754	100,148	260,914	*18,503	5,157,614
Amount .....	228,490,040	153,724,015	94,314,543	50,730,579	8,678,894	2,236,083	3,876,080	*211,696	68,442,167
Alternative minimum tax									
Number of returns .....	175,209	106,728	65,399	32,031	9,298	877	10,029	—	57,575
Amount .....	1,444,978	1,037,694	671,343	334,697	31,655	23,479	30,935	—	352,870
Income tax after credits									
Number of returns .....	10,190,991	5,629,802	3,499,059	1,779,314	351,429	90,605	224,585	*13,735	4,232,264
Amount .....	49,561,195	34,758,160	21,128,639	12,051,310	1,578,212	702,529	737,004	*30,048	13,333,454
Total income tax									
Number of returns .....	10,200,961	5,634,766	3,502,190	1,780,305	352,271	90,642	224,586	*13,735	4,237,232
Amount .....	51,006,241	35,795,858	21,799,985	12,386,007	1,609,866	726,008	767,939	*30,048	13,686,388
Total tax liability									
Number of returns .....	10,400,962	5,769,644	3,584,550	1,832,815	352,279	90,648	227,542	*13,735	4,299,393
Amount .....	52,179,218	36,787,695	22,283,414	12,828,868	1,675,413	738,241	772,085	*30,048	13,851,150

\*Estimate should be used with caution because of the small number of sample returns on which it is based.  
NOTE: Detail may not add to total because of rounding.

**Table 3.1—Returns With Income Subject to Tax: Adjusted Gross Income, Deductions, Exemptions, Taxable Income, and Tax Items, by Size of Adjusted Gross Income and Type of Tax Computation**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Type of tax computation by size of adjusted gross income	Number of returns	Adjusted gross income	Taxable income	Income subject to tax	Income tax before credits, regular computation		Tax generated		Tax savings over regular computation	Income tax before credits	
					Number of returns	Amount	Number of returns	Amount		Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>Returns with regular tax computation only</b>											
Total	93,998,181	2,304,435,685	1,781,112,283	1,781,724,995	83,436,793	321,303,859	83,454,050	321,371,334	—	83,480,911	322,892,783
Under \$5,000	11,802,462	37,042,649	22,281,155	22,293,883	3,792,801	329,694	3,810,059	333,968	—	3,827,317	366,556
\$5,000 under \$10,000	15,407,094	115,711,144	79,897,519	79,969,055	13,233,053	4,995,214	13,233,052	5,008,938	—	13,240,777	5,019,935
\$10,000 under \$15,000	13,422,928	166,872,972	126,774,478	126,841,221	13,162,045	11,874,151	13,162,045	11,883,012	—	13,162,045	11,926,025
\$15,000 under \$20,000	11,054,538	192,597,229	152,922,370	152,985,009	10,989,008	17,511,255	10,989,008	17,517,941	—	10,989,008	17,600,534
\$20,000 under \$25,000	8,905,460	199,407,872	160,001,971	160,047,934	8,885,032	20,685,467	8,885,032	20,687,202	—	8,886,852	20,775,007
\$25,000 under \$30,000	7,266,286	199,814,146	159,040,440	159,127,965	7,247,770	22,387,661	7,247,770	22,400,206	—	7,247,770	22,489,291
\$30,000 under \$40,000	10,941,838	379,016,124	298,542,206	298,605,887	10,936,359	46,800,078	10,936,359	46,807,802	—	10,936,359	47,004,569
\$40,000 under \$50,000	7,030,277	312,769,324	243,769,693	243,865,783	7,028,863	43,144,262	7,028,863	43,160,137	—	7,028,863	43,382,079
\$50,000 under \$75,000	5,809,478	344,003,947	265,627,071	265,699,995	5,805,659	56,225,671	5,805,659	56,226,479	—	5,805,659	56,472,312
\$75,000 under \$100,000	1,285,766	109,626,569	82,797,515	82,812,259	1,285,148	21,624,443	1,285,148	21,626,238	—	1,285,148	21,788,073
\$100,000 under \$200,000	813,239	106,293,244	80,205,438	80,213,724	812,331	25,890,606	812,331	25,894,620	—	812,389	26,035,583
\$200,000 under \$500,000	193,676	55,537,416	42,195,004	42,200,071	193,596	17,554,997	193,596	17,548,680	—	193,596	17,707,807
\$500,000 under \$1,000,000	38,562	24,932,306	20,082,384	20,082,391	38,553	9,303,432	38,553	9,303,970	—	38,553	9,330,285
\$1,000,000 or more	26,577	60,810,745	46,977,041	46,979,817	26,575	22,976,929	26,575	22,972,142	—	26,575	22,994,726
<b>Returns with income averaging tax computation only</b>											
Total	3,098,146	202,728,882	165,519,479	157,190,206	3,098,146	47,392,094	3,098,146	44,411,540	2,980,555	3,098,146	44,626,203
Under \$5,000	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	*14,302	*129,567	*108,739	*102,799	*14,302	*9,430	*14,302	*8,505	*925	*14,302	*8,505
\$10,000 under \$15,000	119,607	1,542,888	1,324,462	1,199,693	119,607	139,300	119,607	118,600	20,430	119,607	118,600
\$15,000 under \$20,000	170,663	3,010,143	2,474,823	2,249,840	170,663	293,223	170,663	255,495	37,728	170,663	255,495
\$20,000 under \$25,000	289,200	6,557,755	5,354,583	4,933,056	289,200	714,374	289,200	633,353	81,022	289,200	633,353
\$25,000 under \$30,000	273,790	7,539,864	6,311,247	5,900,944	273,790	923,309	273,790	828,868	94,441	273,790	842,045
\$30,000 under \$40,000	532,482	18,603,222	15,374,770	14,343,369	532,482	2,530,089	532,482	2,270,230	259,860	532,482	2,270,354
\$40,000 under \$50,000	421,089	19,125,151	15,595,743	14,558,528	421,089	2,963,381	421,089	2,647,539	315,841	421,089	2,682,487
\$50,000 under \$75,000	607,937	37,194,158	29,669,810	28,252,440	607,937	6,647,888	607,937	6,146,582	501,307	607,937	6,160,073
\$75,000 under \$100,000	256,958	21,963,583	17,414,086	16,421,364	256,958	4,714,470	256,958	4,310,101	404,369	256,958	4,321,520
\$100,000 under \$200,000	298,383	40,170,151	32,552,520	31,064,021	298,383	10,986,644	298,383	10,364,443	680,201	298,383	10,402,920
\$200,000 under \$500,000	95,878	26,885,034	22,082,676	21,154,773	95,878	9,185,233	95,878	8,726,069	461,164	95,878	8,755,394
\$500,000 under \$1,000,000	12,705	8,543,122	7,247,190	7,074,309	12,705	3,379,455	12,705	3,293,063	86,391	12,705	3,302,439
\$1,000,000 or more	5,152	11,464,244	10,008,831	9,935,071	5,152	4,905,567	5,152	4,868,692	36,875	5,152	4,873,018
<b>Returns with income averaging tax computation only</b>											
Total	850,741	945,116	3,053,462	43,681,087	247,001	2,144,714	3,068,819	45,825,873	29.2	22.6	14,791
Under \$5,000	—	—	—	—	—	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	*14,302	*8,505	—	—	*14,302	*8,505	*8.3	*6.6	*595
\$10,000 under \$15,000	*22,331	*7,168	119,607	111,432	—	—	119,607	111,432	9.3	7.2	932
\$15,000 under \$20,000	25,012	7,317	168,229	248,178	*836	*144	168,229	248,321	11.0	8.2	1,455
\$20,000 under \$25,000	39,049	25,920	284,946	607,432	—	—	284,946	607,432	12.3	9.3	2,100
\$25,000 under \$30,000	65,339	60,103	262,442	781,943	*6,892	*14,972	263,256	796,914	13.5	10.6	2,911
\$30,000 under \$40,000	154,663	137,481	517,733	2,132,874	29,154	41,204	523,540	2,174,078	15.2	11.7	4,083
\$40,000 under \$50,000	133,747	103,645	418,122	2,578,842	47,711	151,326	419,206	2,730,168	18.8	14.3	6,844
\$50,000 under \$75,000	174,943	111,055	602,375	6,049,018	42,731	202,244	607,101	6,251,262	22.1	16.8	10,283
\$75,000 under \$100,000	70,747	82,682	254,746	4,238,838	38,176	244,111	256,756	4,482,949	27.3	20.4	17,446
\$100,000 under \$200,000	110,812	140,326	297,325	10,262,594	50,054	557,375	298,165	10,819,969	34.8	26.9	36,262
\$200,000 under \$500,000	44,786	152,009	95,795	8,603,384	24,528	541,918	95,859	9,145,317	43.2	34.0	95,385
\$500,000 under \$1,000,000	6,533	46,981	12,689	3,255,458	4,687	173,449	12,701	3,428,907	48.5	40.1	269,886
\$1,000,000 or more	3,229	70,429	5,151	4,802,589	2,232	217,972	5,151	5,020,617	50.5	43.8	974,499

\* Estimate should be used with caution because of the small number of sample returns on which it is based

\*\* Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to total because of rounding



**Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income								
	Total			Under 5 percent			5 under 7 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
<b>All returns</b>	<b>83,967,413</b>	<b>2,440,231,669</b>	<b>367,287,213</b>	<b>15,185,953</b>	<b>163,190,240</b>	<b>4,785,803</b>	<b>9,779,150</b>	<b>152,923,336</b>	<b>9,328,371</b>
Under \$5,000	3,764,298	13,781,946	705,959	3,429,833	14,085,152	261,941	176,402	494,135	29,626
\$5,000 under \$10,000	11,302,273	86,226,426	4,501,830	5,344,058	37,694,570	1,104,332	3,235,623	24,242,158	1,464,517
\$10,000 under \$15,000	12,871,560	160,407,271	11,438,531	3,621,928	43,989,324	1,310,597	2,104,085	26,749,624	1,609,451
\$15,000 under \$20,000	11,064,250	192,842,811	17,340,658	1,334,360	22,839,156	732,078	2,034,161	34,942,708	2,145,250
\$20,000 under \$25,000	9,139,455	204,746,149	20,882,788	622,718	13,868,272	439,431	923,964	20,490,461	1,257,247
\$25,000 under \$30,000	7,499,447	206,223,786	22,850,962	351,445	9,566,055	312,322	545,573	14,914,789	925,663
\$30,000 under \$40,000	11,434,253	396,226,364	48,628,503	298,069	10,288,218	334,486	506,235	17,237,432	1,054,511
\$40,000 under \$50,000	7,446,963	331,708,776	45,744,224	98,678	4,417,363	112,231	149,332	6,586,771	398,109
\$50,000 under \$75,000	6,414,601	381,037,449	62,459,834	58,798	3,531,603	118,060	85,176	5,128,004	311,383
\$75,000 under \$100,000	1,543,446	131,658,272	26,280,965	19,115	1,696,548	27,526	10,346	885,805	55,047
\$100,000 under \$200,000	1,113,163	146,680,146	37,288,197	5,994	736,958	20,365	7,429	889,440	55,326
\$200,000 or more	373,704	188,692,273	69,163,762	957	477,019	12,434	824	362,009	22,239
<b>Joint returns</b>	<b>42,590,214</b>	<b>1,704,437,762</b>	<b>266,460,002</b>	<b>6,087,535</b>	<b>97,898,362</b>	<b>2,905,026</b>	<b>4,723,952</b>	<b>102,124,067</b>	<b>6,243,554</b>
Under \$5,000	25,368	- 1,027,582	300,828	*50	*164	*1	—	—	—
\$5,000 under \$10,000	1,230,490	10,565,257	216,718	1,227,222	10,544,507	209,531	—	—	—
\$10,000 under \$15,000	3,970,782	50,110,271	2,119,077	2,611,274	31,864,856	948,388	1,087,675	14,436,063	855,982
\$15,000 under \$20,000	4,501,483	78,941,595	5,046,334	1,023,392	17,497,799	577,624	1,679,281	28,962,036	1,780,047
\$20,000 under \$25,000	4,807,710	108,000,979	8,725,703	497,560	11,103,868	355,272	797,097	17,670,375	1,089,236
\$25,000 under \$30,000	4,744,551	130,621,409	12,370,135	300,703	8,156,866	262,368	483,910	13,234,567	820,085
\$30,000 under \$40,000	8,486,310	295,394,847	32,868,057	262,141	9,063,639	292,146	451,512	15,391,877	941,577
\$40,000 under \$50,000	6,399,035	285,393,104	37,608,413	91,619	4,090,338	108,469	129,548	5,731,207	347,237
\$50,000 under \$75,000	5,767,496	342,811,276	54,568,375	50,550	3,038,441	101,819	77,044	6,702,710	283,913
\$75,000 under \$100,000	1,370,266	116,728,618	22,658,872	16,707	1,502,679	21,725	10,042	857,326	53,268
\$100,000 under \$200,000	976,926	128,988,895	32,038,406	5,591	685,831	18,894	7,121	853,475	52,836
\$200,000 or more	309,797	157,909,094	57,939,084	726	349,375	8,789	722	314,429	19,371
<b>Nonjoint returns</b>	<b>41,377,199</b>	<b>735,793,908</b>	<b>100,827,211</b>	<b>9,098,418</b>	<b>65,291,878</b>	<b>1,880,778</b>	<b>5,055,198</b>	<b>50,799,269</b>	<b>3,084,818</b>
Under \$5,000	3,738,930	14,809,528	405,131	3,429,783	14,084,888	261,940	176,402	494,135	29,626
\$5,000 under \$10,000	10,071,783	75,661,169	4,285,112	4,116,836	27,150,064	894,600	3,235,623	24,242,158	1,464,517
\$10,000 under \$15,000	8,900,778	110,297,001	9,319,455	1,010,654	12,124,468	362,210	1,016,410	12,313,561	753,470
\$15,000 under \$20,000	6,562,767	113,901,216	12,294,324	310,968	5,341,357	154,454	354,880	5,980,672	365,203
\$20,000 under \$25,000	4,331,745	96,745,170	12,157,085	125,158	2,764,405	84,159	126,867	2,820,086	168,011
\$25,000 under \$30,000	2,754,896	75,602,378	10,480,827	50,742	1,409,189	49,954	61,663	1,680,222	105,578
\$30,000 under \$40,000	2,947,943	100,831,518	15,760,446	35,928	1,224,579	42,340	54,723	1,845,554	112,934
\$40,000 under \$50,000	1,047,928	46,315,672	8,135,811	*7,059	*327,025	*3,761	19,784	855,564	50,872
\$50,000 under \$75,000	647,105	38,226,173	7,891,458	8,248	493,162	16,241	8,132	455,294	27,470
\$75,000 under \$100,000	173,180	14,929,655	3,622,093	*2,408	*193,869	*5,800	*304	*28,479	*1,779
\$100,000 under \$200,000	136,237	17,691,251	5,250,790	*403	*51,127	*1,472	*308	*35,965	*2,490
\$200,000 or more	63,907	30,783,179	11,224,678	231	127,644	3,645	102	47,580	2,868

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	7 under 10 percent			10 under 12 percent			12 under 15 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	
<b>All returns</b>	<b>18,984,743</b>	<b>391,022,928</b>	<b>33,750,462</b>	<b>12,729,298</b>	<b>343,807,555</b>	<b>37,784,034</b>	<b>13,603,171</b>	<b>468,783,006</b>	<b>62,999,276</b>
Under \$5,000	122,341	478,819	39,750	*2,955	*11,465	*1,330	—	—	—
\$5,000 under \$10,000	2,681,247	23,992,322	1,878,543	*33,373	*241,902	*26,546	66,229	868,382	113,490
\$10,000 under \$15,000	4,824,766	58,250,674	5,127,788	2,238,413	30,338,468	3,219,327	2,393,558	43,501,157	5,587,165
\$15,000 under \$20,000	2,950,048	52,267,188	4,375,478	2,311,170	38,609,309	4,325,727	1,968,012	43,257,069	5,973,197
\$20,000 under \$25,000	3,115,044	69,591,261	5,984,552	1,682,628	38,105,730	4,136,626	1,968,012	38,957,591	5,144,810
\$25,000 under \$30,000	1,988,657	54,367,392	4,729,120	1,958,144	53,873,989	5,909,925	1,399,125	124,560,323	16,686,285
\$30,000 under \$40,000	2,160,657	74,219,646	6,543,387	2,697,451	92,507,772	10,202,754	3,568,982	115,442,614	15,524,350
\$40,000 under \$50,000	765,801	33,832,085	2,964,715	1,231,878	54,260,319	5,996,100	2,598,554	124,560,323	16,686,285
\$50,000 under \$75,000	326,546	18,697,051	1,646,419	499,723	28,471,933	3,151,777	1,411,198	81,691,862	11,183,967
\$75,000 under \$100,000	33,947	2,856,851	248,121	54,014	4,547,352	505,194	141,198	11,850,397	1,614,291
\$100,000 under \$200,000	13,974	1,723,835	148,523	18,173	2,262,974	244,624	44,622	5,393,048	721,305
\$200,000 or more	1,715	745,805	64,067	1,376	576,341	64,105	11,693	3,260,561	450,415
<b>Joint returns</b>	<b>9,417,738</b>	<b>263,930,684</b>	<b>22,795,887</b>	<b>6,710,119</b>	<b>235,467,573</b>	<b>25,878,884</b>	<b>7,463,089</b>	<b>322,337,571</b>	<b>43,297,933</b>
Under \$5,000	—	—	—	*2,955	*11,465	*1,330	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	**252,327	**3,568,504	**264,129	*9,535	*112,518	*11,766	*4,251	*55,662	*8,037
\$15,000 under \$20,000	1,782,880	32,188,782	2,632,730	*4,775	*89,138	*9,245	—	—	—
\$20,000 under \$25,000	2,570,254	57,542,313	4,927,494	934,525	21,504,810	2,292,106	*1,450	*30,991	*4,099
\$25,000 under \$30,000	1,739,166	47,586,802	4,142,810	1,608,514	44,302,529	4,844,636	587,838	16,670,316	2,096,590
\$30,000 under \$40,000	2,004,118	69,027,767	6,087,611	2,424,556	83,279,489	9,192,877	2,902,747	101,996,302	13,609,988
\$40,000 under \$50,000	717,170	31,687,418	2,780,836	1,168,831	51,481,819	5,689,759	2,441,186	108,617,545	14,594,776
\$50,000 under \$75,000	306,600	17,569,121	1,548,602	485,497	27,629,573	3,059,394	1,358,844	78,636,838	10,764,867
\$75,000 under \$100,000	32,036	2,692,022	233,482	52,835	4,441,557	493,311	123,596	10,293,982	1,409,621
\$100,000 under \$200,000	11,685	1,429,184	123,647	16,793	2,091,135	226,213	39,886	4,824,989	644,782
\$200,000 or more	1,502	638,772	54,546	1,303	523,539	58,248	3,291	1,210,946	165,173
<b>Nonjoint returns</b>	<b>9,567,005</b>	<b>127,092,245</b>	<b>10,954,575</b>	<b>6,019,179</b>	<b>108,339,982</b>	<b>11,905,150</b>	<b>6,140,082</b>	<b>146,445,434</b>	<b>19,701,343</b>
Under \$5,000	122,341	478,819	39,750	—	—	—	—	—	—
\$5,000 under \$10,000	—	—	—	—	—	—	—	—	—
\$10,000 under \$15,000	**2,523,686	**37,674,492	**6,742,202	2,228,878	30,225,950	3,207,560	61,978	812,720	105,453
\$15,000 under \$20,000	1,167,168	20,078,406	1,742,748	2,306,395	38,520,172	4,316,482	2,393,558	43,501,157	5,587,165
\$20,000 under \$25,000	544,790	12,048,948	1,057,057	748,103	16,600,920	1,844,520	1,966,562	43,226,078	5,969,099
\$25,000 under \$30,000	249,491	6,780,590	586,310	349,630	9,571,459	1,065,288	811,287	22,287,275	3,048,220
\$30,000 under \$40,000	156,539	5,191,879	455,775	272,895	9,228,283	1,009,877	666,235	22,564,021	3,076,297
\$40,000 under \$50,000	48,631	2,144,667	183,879	63,047	2,778,499	306,341	157,368	6,825,069	929,574
\$50,000 under \$75,000	19,946	1,127,930	97,818	14,226	842,359	92,383	52,354	3,055,024	419,100
\$75,000 under \$100,000	*1,911	*164,829	*14,638	*1,179	*105,795	*11,883	17,602	1,556,415	204,670
\$100,000 under \$200,000	2,289	294,652	24,876	1,380	171,839	18,411	4,736	568,059	76,523
\$200,000 or more	213	107,033	9,521	73	52,802	5,857	8,402	2,049,616	285,242

Footnote(s) at end of table.



**Table 3.2—Returns With Total Income Tax: Total Income Tax as a Percent of Adjusted Gross Income, by Size of Adjusted Gross Income—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	15 under 17 percent			17 under 25 percent			25 under 30 percent		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	(27)
<b>All returns</b>	<b>5,613,375</b>	<b>239,356,661</b>	<b>38,153,933</b>	<b>6,629,180</b>	<b>398,648,025</b>	<b>79,806,548</b>	<b>743,778</b>	<b>86,594,024</b>	<b>23,658,977</b>
Under \$5,000	2,956	9,016	1,389	..	..	..	..	..	..
\$5,000 under \$10,000	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	..	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..
\$200,000 or more	..	..	..	..	..	..	..	..	..
<b>Joint returns</b>	<b>3,166,864</b>	<b>167,313,656</b>	<b>26,689,756</b>	<b>4,016,073</b>	<b>290,536,560</b>	<b>58,312,977</b>	<b>509,692</b>	<b>65,985,763</b>	<b>17,986,405</b>
Under \$5,000	..	..	..	..	..	..	..	..	..
\$5,000 under \$10,000	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	..	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..
\$200,000 or more	..	..	..	..	..	..	..	..	..
<b>Nonjoint returns</b>	<b>2,446,511</b>	<b>72,043,005</b>	<b>11,464,177</b>	<b>2,613,107</b>	<b>108,111,465</b>	<b>21,493,571</b>	<b>234,086</b>	<b>20,608,262</b>	<b>5,672,572</b>
Under \$5,000	2,956	9,016	1,389	..	..	..	..	..	..
\$5,000 under \$10,000	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	..	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..
\$200,000 or more	..	..	..	..	..	..	..	..	..

Size of adjusted gross income	Total income tax as a percent of adjusted gross income—Continued								
	30 under 50 percent			50 under 100 percent			100 percent or more		
	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax	Number of returns	Adjusted gross income less deficit	Total income tax
	(28)	(29)	(30)	(31)	(32)	(33)	(34)	(35)	(36)
<b>All returns</b>	<b>640,687</b>	<b>192,624,646</b>	<b>73,746,731</b>	<b>25,563</b>	<b>4,377,292</b>	<b>2,590,280</b>	<b>32,515</b>	<b>-1,096,043</b>	<b>682,797</b>
Under \$5,000	..	..	..	..	..	..	..	..	..
\$5,000 under \$10,000	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	..	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..
\$200,000 or more	..	..	..	..	..	..	..	..	..
<b>Joint returns</b>	<b>451,689</b>	<b>156,335,177</b>	<b>59,815,085</b>	<b>19,830</b>	<b>3,399,641</b>	<b>2,004,596</b>	<b>23,633</b>	<b>-891,291</b>	<b>529,899</b>
Under \$5,000	..	..	..	..	..	..	..	..	..
\$5,000 under \$10,000	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	..	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..
\$200,000 or more	..	..	..	..	..	..	..	..	..
<b>Nonjoint returns</b>	<b>188,998</b>	<b>36,289,470</b>	<b>13,931,646</b>	<b>5,733</b>	<b>977,651</b>	<b>585,683</b>	<b>8,882</b>	<b>-204,753</b>	<b>152,898</b>
Under \$5,000	..	..	..	..	..	..	..	..	..
\$5,000 under \$10,000	..	..	..	..	..	..	..	..	..
\$10,000 under \$15,000	..	..	..	..	..	..	..	..	..
\$15,000 under \$20,000	..	..	..	..	..	..	..	..	..
\$20,000 under \$25,000	..	..	..	..	..	..	..	..	..
\$25,000 under \$30,000	..	..	..	..	..	..	..	..	..
\$30,000 under \$40,000	..	..	..	..	..	..	..	..	..
\$40,000 under \$50,000	..	..	..	..	..	..	..	..	..
\$50,000 under \$75,000	..	..	..	..	..	..	..	..	..
\$75,000 under \$100,000	..	..	..	..	..	..	..	..	..
\$100,000 under \$200,000	..	..	..	..	..	..	..	..	..
\$200,000 or more	..	..	..	..	..	..	..	..	..

\* Estimate should be used with caution because of the small number of sample returns on which it is based

\*\* Data combined to avoid disclosure of information for specific taxpayers

NOTE: Detail may not add to total because of rounding

**Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All returns	Total tax liability		Total tax credits		Personal credits				Credit for the elderly and disabled		Political contributions credit	
		Number of returns	Amount	Number of returns	Amount	Total		Child care credit		Number of returns	Amount	Number of returns	Amount
		(2)	(3)	(4)	(5)	Number of returns	Amount	Number of returns	Amount	(10)	(11)	(12)	(13)
<b>All returns, total</b>	<b>103,045,170</b>	<b>85,803,688</b>	<b>381,223,547</b>	<b>16,859,281</b>	<b>7,020,731</b>	<b>15,674,042</b>	<b>4,101,314</b>	<b>8,949,817</b>	<b>3,397,090</b>	<b>430,469</b>	<b>85,763</b>	<b>4,504,646</b>	<b>241,671</b>
No adjusted gross income	957,547	194,257	529,396	436	734	300	31	58	26	—	—	242	5
\$1 under \$5,000	15,987,613	4,505,941	645,556	113,700	3,589	95,094	2,761	9,535	324	14,302	605	27,203	958
\$5,000 under \$10,000	15,910,313	11,823,777	5,265,379	2,870,865	547,657	2,777,934	512,281	723,825	169,725	256,245	41,603	222,272	9,340
\$10,000 under \$15,000	13,706,052	13,045,078	12,346,534	2,282,272	626,136	2,125,949	569,827	1,134,163	473,234	116,709	36,434	403,831	15,860
\$15,000 under \$20,000	11,290,251	11,161,509	18,610,177	1,405,981	547,558	1,322,846	458,285	1,003,582	429,419	43,213	7,120	303,937	14,075
\$20,000 under \$25,000	9,221,431	9,184,284	22,184,482	1,528,540	549,629	1,434,192	462,112	1,057,646	442,941	46,213	—	403,388	15,725
\$25,000 under \$30,000	7,559,001	7,524,182	23,965,482	1,564,429	548,911	1,426,540	423,355	1,110,428	395,264	—	—	353,674	18,339
\$30,000 under \$40,000	11,489,629	11,458,931	50,648,116	2,443,392	829,635	2,275,178	594,826	1,601,757	551,244	—	—	747,528	37,015
\$40,000 under \$50,000	7,458,776	7,454,677	47,360,532	1,743,411	594,954	1,640,278	466,232	1,127,572	431,440	—	—	586,330	32,419
\$50,000 under \$75,000	6,427,825	6,417,850	64,609,471	1,726,378	736,349	1,597,949	436,033	914,881	384,203	—	—	779,447	44,704
\$75,000 under \$100,000	1,546,776	1,545,150	27,190,258	514,025	448,385	447,031	93,669	171,557	73,142	—	—	316,229	19,848
\$100,000 under \$200,000	1,115,593	1,114,129	38,301,973	457,738	449,324	389,851	63,565	82,214	39,522	—	—	328,749	22,959
\$200,000 under \$500,000	290,946	290,592	27,302,807	158,704	485,857	108,591	14,624	11,031	5,720	—	—	100,568	7,819
\$500,000 under \$1,000,000	51,558	51,501	13,032,909	32,797	176,366	19,509	2,350	1,181	642	—	—	18,682	1,531
\$1,000,000 or more	31,859	31,830	29,230,475	16,613	475,048	12,800	1,363	387	223	—	—	12,566	1,074
<b>Taxable returns, total</b>	<b>83,967,413</b>	<b>83,967,413</b>	<b>379,981,081</b>	<b>14,187,663</b>	<b>6,066,014</b>	<b>13,244,082</b>	<b>3,544,490</b>	<b>7,992,367</b>	<b>3,081,527</b>	<b>236,201</b>	<b>46,030</b>	<b>4,529,927</b>	<b>238,573</b>
No adjusted gross income	15,388	15,388	322,122	243	421	—	—	—	—	—	—	228	4
\$1 under \$5,000	3,748,910	3,748,910	457,642	25,587	740	—	—	—	—	—	—	17,667	701
\$5,000 under \$10,000	11,302,273	11,302,273	4,969,800	910,707	172,750	864,172	153,952	125,104	25,036	101,261	12,407	176,408	7,285
\$10,000 under \$15,000	12,871,560	12,871,560	12,191,499	1,867,323	437,484	1,755,965	413,421	842,383	334,928	91,727	26,503	389,224	15,468
\$15,000 under \$20,000	11,064,250	11,064,250	18,469,937	1,309,900	455,927	1,275,086	427,638	2,018,303	846,484	43,213	7,120	303,880	14,071
\$20,000 under \$25,000	9,139,455	9,139,455	22,091,093	1,489,604	489,906	1,433,577	462,050	1,109,592	395,270	—	—	402,774	15,663
\$25,000 under \$30,000	7,499,447	7,499,447	23,917,401	1,537,787	490,182	1,423,884	420,720	1,089,617	544,964	—	—	353,674	18,339
\$30,000 under \$40,000	11,434,253	11,434,253	50,571,693	2,405,581	740,941	2,260,347	588,280	1,589,617	544,964	—	—	744,893	36,751
\$40,000 under \$50,000	7,446,963	7,446,963	47,335,185	1,739,468	576,982	1,639,665	466,216	1,126,959	431,424	—	—	586,330	32,419
\$50,000 under \$75,000	6,414,601	6,414,601	64,605,187	1,722,614	728,234	1,596,218	435,977	914,045	384,175	—	—	778,560	44,678
\$75,000 under \$100,000	1,543,446	1,543,446	27,185,915	513,613	445,235	446,821	93,648	171,557	73,142	—	—	316,019	19,827
\$100,000 under \$200,000	1,113,163	1,113,163	38,296,250	457,352	449,099	389,590	63,551	83,242	45,240	—	—	328,489	22,946
\$200,000 under \$500,000	290,429	290,429	27,302,180	158,523	468,680	108,556	14,619	1,181	642	—	—	100,536	7,815
\$500,000 under \$1,000,000	51,467	51,467	13,032,770	32,769	168,383	19,509	2,350	1,181	642	—	—	18,682	1,531
\$1,000,000 or more	31,808	31,808	29,230,388	16,592	441,049	12,800	1,363	387	223	—	—	12,566	1,074
<b>Nontaxable returns, total</b>	<b>19,077,757</b>	<b>1,836,275</b>	<b>1,242,486</b>	<b>2,671,618</b>	<b>954,717</b>	<b>2,429,960</b>	<b>556,824</b>	<b>957,450</b>	<b>315,563</b>	<b>194,268</b>	<b>39,733</b>	<b>74,719</b>	<b>3,099</b>

Footnote(s) at end of table

**Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Personal credits—Continued					Foreign tax credit		General business credits		Other tax credits <sup>1</sup>		Income tax after credits	
	Earned income credit used to offset income tax before credits		Mortgage interest credit		Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(14)	(15)	(16)	(17)									
<b>All returns, total</b> .....	<b>2,507,495</b>	<b>327,600</b>	<b>*4,849</b>	<b>*1,790</b>		<b>423,736</b>	<b>773,939</b>	<b>679,820</b>	<b>1,115,836</b>	<b>462,771</b>	<b>1,029,642</b>	<b>83,898,079</b>	<b>360,571,264</b>
No adjusted gross income .....	—	—	—	—	—	—	—	32	193	143	509	489	5,525
\$1 under \$5,000 .....	44,054	873	—	—	—	*7,920	*40	*5,919	*745	*4,767	*43	3,747,394	384,710
\$5,000 under \$10,000 .....	1,851,444	291,456	—	—	—	*7,920	*5,639	49,912	15,456	53,499	14,281	11,300,833	4,487,091
\$10,000 under \$15,000 .....	611,997	35,271	—	—	—	*47,520	*13,622	43,648	6,542	72,878	36,145	12,869,046	11,418,607
\$15,000 under \$20,000 .....	—	—	*4,767	*1,759	—	*15,840	*9,575	33,967	16,363	57,527	63,334	11,063,590	17,308,472
\$20,000 under \$25,000 .....	—	—	—	—	—	*7,921	*63	60,047	25,635	38,572	61,819	9,136,875	20,858,745
\$25,000 under \$30,000 .....	—	—	—	—	—	*35,154	*13,047	54,826	10,486	59,139	102,022	7,497,653	22,813,698
\$30,000 under \$40,000 .....	—	—	—	—	—	*55,438	*28,647	92,945	65,593	66,892	140,569	11,423,883	48,445,289
\$40,000 under \$50,000 .....	—	—	—	—	—	*66,834	*11,146	55,645	39,537	26,436	78,039	7,444,139	45,476,514
\$50,000 under \$75,000 .....	—	—	—	—	—	50,994	113,948	90,640	94,109	31,144	92,259	6,397,981	61,896,054
\$75,000 under \$100,000 .....	—	—	—	—	—	*39,599	*205,223	56,353	78,241	16,887	71,253	1,536,195	25,661,208
\$100,000 under \$200,000 .....	—	—	*11	*13	—	51,011	109,590	78,576	186,258	17,922	90,510	1,108,302	35,988,579
\$200,000 under \$500,000 .....	—	—	*62	*8	—	27,662	144,778	39,948	211,428	11,717	115,026	288,796	25,977,492
\$500,000 under \$1,000,000 .....	—	—	*4	*9	—	8,120	13,346	9,597	108,576	3,008	52,094	51,201	12,456,584
\$1,000,000 or more .....	—	—	*5	*1	—	1,803	105,273	7,765	256,673	2,240	111,738	31,702	27,392,697
<b>Taxable returns, total</b> .....	<b>1,103,816</b>	<b>143,357</b>	<b>†</b>	<b>†</b>		<b>407,672</b>	<b>680,480</b>	<b>603,854</b>	<b>1,056,389</b>	<b>284,013</b>	<b>784,655</b>	<b>83,898,079</b>	<b>360,571,264</b>
No adjusted gross income .....	—	—	—	—	—	—	—	*19	*141	*15	*276	489	5,525
\$1 under \$5,000 .....	—	—	—	—	—	*7,920	*40	—	—	—	—	3,747,394	384,710
\$5,000 under \$10,000 .....	540,636	109,224	—	—	—	*7,920	*5,639	*26,123	*8,273	*20,214	*4,886	11,300,833	4,487,091
\$10,000 under \$15,000 .....	563,180	34,133	—	—	—	*63,360	*14,176	35,658	2,926	*40,868	*16,600	12,869,046	11,418,607
\$15,000 under \$20,000 .....	—	—	†	†	—	—	—	24,545	7,661	*16,751	*11,053	11,063,590	17,308,472
\$20,000 under \$25,000 .....	—	—	—	—	—	—	—	45,149	12,569	*14,535	*15,224	9,136,875	20,858,745
\$25,000 under \$30,000 .....	—	—	—	—	—	—	—	54,585	10,471	35,394	45,943	7,497,653	22,813,698
\$30,000 under \$40,000 .....	—	—	—	—	—	*35,154	*13,047	54,585	10,471	51,005	101,311	11,423,883	48,445,289
\$40,000 under \$50,000 .....	—	—	—	—	—	*305,955	*443,293	82,756	47,921	22,790	60,143	7,444,139	45,476,514
\$50,000 under \$75,000 .....	—	—	—	—	—	—	—	87,925	86,288	30,931	92,020	6,397,981	61,896,054
\$75,000 under \$100,000 .....	—	—	—	—	—	—	—	56,143	78,150	16,685	68,215	1,536,195	25,661,208
\$100,000 under \$200,000 .....	—	—	†	†	—	—	—	78,301	185,873	*29,577	*205,153	1,108,302	35,988,579
\$200,000 under \$500,000 .....	—	—	†	†	—	27,489	127,647	39,940	211,389	—	—	288,796	25,977,492
\$500,000 under \$1,000,000 .....	—	—	†	†	—	6,092	5,363	9,597	108,576	3,008	52,094	51,201	12,456,584
\$1,000,000 or more .....	—	—	†	†	—	1,782	71,274	7,765	256,673	2,240	111,738	31,702	27,392,697
<b>Nontaxable returns, total</b> .....	<b>1,403,679</b>	<b>184,243</b>	<b>†</b>	<b>†</b>		<b>16,064</b>	<b>93,459</b>	<b>75,966</b>	<b>59,447</b>	<b>178,758</b>	<b>244,987</b>	<b>—</b>	<b>—</b>

Footnote(s) at end of table.



**Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued**  
 (All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Total income tax			Alternative minimum tax			All other taxes												
	Number of returns	Amount	(27)	(28)	(29)	Total			Tax from recomputing prior-year investment credit			Penalty tax on individual Retirement Arrangements			Self-employment tax				
						Number of returns	Amount	(31)	Number of returns	Amount	(32)	Number of returns	Amount	(34)	Number of returns	Amount	(36)	Number of returns	Amount
<b>All returns, total</b>	<b>83,967,413</b>	<b>367,287,213</b>		<b>608,907</b>	<b>6,713,149</b>		<b>11,136,924</b>	<b>14,137,225</b>		<b>842,814</b>	<b>426,109</b>		<b>428,112</b>	<b>142,731</b>		<b>10,139,954</b>	<b>13,529,895</b>		
No adjusted gross income	15,388	308,483		14,775	302,408		11,136,924	228,359		26,787	41,318		15,226	5,998		159,637	172,992		
\$1 under \$5,000	3,748,910	397,477		1,573	12,767		963,793	322,952		23,938	3,745		20,271	*2,134		912,396	316,249		
\$5,000 under \$10,000	11,302,273	4,501,830		2,053	14,739		1,379,921	880,606		50,638	14,630		26,982	9,879		1,281,466	842,371		
\$10,000 under \$15,000	12,871,560	11,438,531		7,900	19,924		1,109,143	909,519		46,065	7,462		28,183	*6,977		1,056,875	894,140		
\$15,000 under \$20,000	11,064,250	17,340,658		3,566	32,186		1,219,141	1,269,519		80,627	37,682		31,626	7,562		1,116,072	1,218,973		
\$20,000 under \$25,000	9,139,455	20,882,788		3,818	24,043		1,092,938	1,301,694		38,923	5,529		22,590	*6,441		1,036,066	1,285,566		
\$25,000 under \$30,000	7,499,447	22,850,962		8,766	37,264		897,130	1,114,521		28,681	7,684		35,798	7,843		849,190	1,098,286		
\$30,000 under \$40,000	11,434,253	48,628,503		62,900	183,214		1,484,831	2,019,613		109,246	38,423		77,744	20,652		1,348,367	1,960,376		
\$40,000 under \$50,000	7,446,963	45,744,224		80,645	267,710		944,345	1,616,308		75,229	42,937		64,093	26,775		845,097	1,546,036		
\$50,000 under \$75,000	6,414,601	62,459,834		122,355	563,779		1,007,948	2,149,638		108,000	32,977		76,864	31,416		876,538	2,083,757		
\$75,000 under \$100,000	1,543,446	26,280,965		101,868	619,757		348,779	909,293		68,781	33,880		19,528	7,467		287,685	867,859		
\$100,000 under \$200,000	1,113,163	37,289,197		126,127	1,298,520		357,412	1,012,776		101,096	53,891		8,163	8,413		285,585	950,374		
\$200,000 under \$500,000	290,429	27,066,736		46,874	1,089,229		108,071	236,071		58,093	37,538		835	835		196,762	80,881		
\$500,000 under \$1,000,000	51,467	12,928,118		10,428	471,534		25,187	104,791		18,133	23,802		114	76		17,514	15,273		
\$1,000,000 or more	31,808	29,168,908		15,259	1,776,075		11,863	61,566		8,577	44,613		95	262		5,371	12,177,994		
<b>Taxable returns, total</b>	<b>83,967,413</b>	<b>367,287,213</b>		<b>608,907</b>	<b>6,713,149</b>		<b>9,150,878</b>	<b>12,693,848</b>		<b>755,328</b>	<b>367,849</b>		<b>373,976</b>	<b>128,039</b>		<b>8,272,969</b>	<b>12,177,994</b>		
No adjusted gross income	15,388	308,483		14,775	302,408		7,410	13,640		3,872	4,070		*64	*74		3,963	8,450		
\$1 under \$5,000	3,748,910	397,477		1,573	12,767		137,310	60,166		*3,072	*1,903		—	—		132,426	57,752		
\$5,000 under \$10,000	11,302,273	4,501,830		2,053	14,739		783,241	467,970		30,441	4,756		*21,361	*5,939		706,948	454,218		
\$10,000 under \$15,000	12,871,560	11,438,531		7,900	19,924		935,625	752,967		35,039	5,666		*17,266	*5,161		892,196	741,201		
\$15,000 under \$20,000	11,064,250	17,340,658		3,566	32,186		1,116,882	1,129,279		74,197	35,598		*29,749	*7,122		1,028,258	1,081,731		
\$20,000 under \$25,000	9,139,455	20,882,788		3,818	24,043		1,048,109	1,208,305		38,408	5,451		*22,590	*6,441		991,551	1,192,266		
\$25,000 under \$30,000	7,499,447	22,850,962		8,766	37,264		872,395	1,066,440		26,324	5,902		35,798	7,843		826,369	1,051,987		
\$30,000 under \$40,000	11,434,253	48,628,503		62,900	183,214		1,460,153	1,943,190		108,044	37,752		77,542	20,412		1,324,277	1,884,863		
\$40,000 under \$50,000	7,446,963	45,744,224		80,645	267,710		936,631	1,590,960		75,041	42,899		64,085	26,767		837,520	1,520,734		
\$50,000 under \$75,000	6,414,601	62,459,834		122,355	563,779		1,004,699	2,145,353		106,660	32,675		*96,331	*38,799		873,672	2,079,859		
\$75,000 under \$100,000	1,543,446	26,280,965		101,868	619,757		347,075	904,950		68,718	33,419		—	—		286,043	863,977		
\$100,000 under \$200,000	1,113,163	37,289,197		126,127	1,298,520		356,446	1,009,053		100,803	52,053		8,155	8,403		284,903	948,498		
\$200,000 under \$500,000	290,429	27,066,736		46,874	1,089,229		107,908	235,444		58,027	37,389		826	739		61,991	196,407		
\$500,000 under \$1,000,000	51,467	12,928,118		10,428	471,534		25,153	104,652		18,118	23,730		114	76		17,492	80,817		
\$1,000,000 or more	31,808	29,168,908		15,259	1,776,075		11,841	61,479		8,564	44,586		95	262		5,360	15,245		
<b>Nontaxable returns, total</b>	<b>—</b>	<b>—</b>		<b>—</b>	<b>—</b>		<b>1,986,046</b>	<b>1,443,377</b>		<b>87,486</b>	<b>58,260</b>		<b>54,136</b>	<b>14,692</b>		<b>1,866,985</b>	<b>1,351,900</b>		

Footnote(s) at end of table

Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	All other taxes—Continued			Earned income credit used to offset other taxes		Number of returns without tax liability	Total			Taxpayments		
	Social security taxes on tip income			Number of returns	Amount		Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	Number of returns	Amount										
All returns, total	152,173	20,674		667,489	17,241,482	95,023,937	403,872,796	87,988,908	315,084,604	11,824,815	69,891,346	
No adjusted gross income	504	2,199		25,330	7,446	478,008	1,379,325	305,681	648,335	104,885	485,579	
\$1 under \$5,000	*19,068	*825		244,961	74,873	12,327,586	2,823,105	11,911,534	2,479,200	427,688	305,307	
\$5,000 under \$10,000	*39,285	*3,271		377,754	117,057	13,540,004	9,321,581	12,260,497	8,203,127	1,411,924	1,059,262	
\$10,000 under \$15,000	*7,723	*939		*19,544	660,974	12,952,161	16,818,230	11,839,681	15,116,154	1,569,052	1,644,625	
\$15,000 under \$20,000	*30,159	*5,301		—	128,742	10,999,146	22,916,698	9,956,153	20,209,564	1,552,235	2,597,297	
\$20,000 under \$25,000	*24,253	*4,157		37,147	37,147	9,028,267	26,694,545	8,369,444	23,899,933	1,266,204	2,651,860	
\$25,000 under \$30,000	*8,548	*708		—	34,819	7,497,569	28,961,076	7,068,281	26,324,103	863,222	2,489,792	
\$30,000 under \$40,000	*163	*163		—	30,698	11,397,796	59,401,042	10,820,308	53,998,147	1,294,688	5,168,466	
\$40,000 under \$50,000	*4,199	*560		—	4,099	7,409,802	53,129,361	7,010,613	47,765,652	960,957	5,046,648	
\$50,000 under \$75,000	7,705	1,367		—	9,975	6,381,999	68,777,306	5,930,662	58,425,294	1,176,289	9,501,762	
\$75,000 under \$100,000	*1,316	*88		—	1,626	1,531,648	26,638,617	1,331,475	19,481,875	481,898	6,175,379	
\$100,000 under \$200,000	*647	*98		—	1,464	1,108,324	33,949,709	910,808	21,334,694	490,041	10,118,849	
\$200,000 under \$500,000	*132	*868		—	354	288,676	21,998,853	220,957	10,906,381	162,482	8,346,143	
\$500,000 under \$1,000,000	72	29		—	57	51,214	10,785,389	34,096	3,109,636	37,228	5,734,791	
\$1,000,000 or more	*15	*102		—	29	31,737	20,277,960	18,718	3,192,509	26,022	8,565,585	
Taxable returns, total	131,056	17,489		667,489	17,241,482	80,546,106	397,351,602	74,455,392	310,087,179	10,991,225	68,560,785	
No adjusted gross income	*8	*16		—	—	11,862	371,922	5,725	65,211	6,526	141,841	
\$1 under \$5,000	*4,767	*510		—	—	2,887,361	1,091,459	2,753,060	981,610	160,666	95,237	
\$5,000 under \$10,000	*36,329	*3,058		—	—	9,989,400	7,325,089	9,042,910	6,538,873	1,098,179	747,925	
\$10,000 under \$15,000	*7,723	*939		—	—	12,305,258	16,135,688	11,254,247	14,537,769	1,509,054	1,554,464	
\$15,000 under \$20,000	*26,795	*4,827		—	—	10,811,481	22,573,740	9,817,931	19,960,536	1,510,998	2,509,015	
\$20,000 under \$25,000	*24,253	*4,157		—	—	8,961,068	26,504,692	8,320,090	23,790,147	1,250,365	2,575,303	
\$25,000 under \$30,000	*8,548	*708		—	—	7,444,110	28,799,255	7,031,004	26,218,897	849,120	2,435,929	
\$30,000 under \$40,000	*163	*163		—	—	11,360,023	59,236,802	10,791,902	53,904,252	1,283,993	5,107,382	
\$40,000 under \$50,000	*4,199	*560		—	—	7,398,104	53,048,801	7,001,362	47,723,029	956,698	5,018,514	
\$50,000 under \$75,000	7,705	1,367		—	—	6,371,322	68,688,384	5,922,646	58,368,023	1,171,301	9,475,649	
\$75,000 under \$100,000	*1,316	*88		—	—	1,528,945	26,616,335	1,331,076	19,476,848	479,641	6,159,418	
\$100,000 under \$200,000	*647	*98		—	—	1,106,029	33,918,864	909,990	21,320,652	489,170	10,105,549	
\$200,000 under \$500,000	*132	*868		—	—	288,291	21,988,127	220,700	10,902,261	162,320	8,340,967	
\$500,000 under \$1,000,000	72	29		—	—	51,147	10,781,545	34,057	3,108,335	37,186	5,733,209	
\$1,000,000 or more	*15	*102		—	—	31,705	20,270,901	18,692	3,190,737	26,008	8,560,383	
Nontaxable returns, total	21,117	3,185		667,489	17,241,482	14,477,831	6,521,194	13,533,516	4,997,424	833,590	1,330,561	

Footnotes at end of table

**Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Taxpayments—Continued										Earned income credit, refundable portion	
	Payment with request for extension of filing time		Excess social security taxes withheld		Credit for tax on certain gasoline, fuel, and oil		Credit from regulated investment companies		Overpayment of windfall profit tax		Number of returns	Amount
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount		
<b>All returns, total</b>	<b>985,477</b>	<b>18,035,005</b>	<b>883,211</b>	<b>676,783</b>	<b>850,279</b>	<b>127,086</b>	<b>55,591</b>	<b>39,478</b>	<b>58,471</b>	<b>14,253</b>	<b>4,648,129</b>	<b>1,478,559</b>
No adjusted gross income	17,121	205,633	3,059	3,881	133,548	33,237	143	768	1,747	1,859	20,827	6,031
\$1 under \$5,000	47,544	28,235	*614	*842	83,596	8,210	*4,767	*1,206	*57	*1	1,865,679	549,430
\$5,000 under \$10,000	51,645	37,607	*4,769	*1,240	129,396	15,921	*4,768	*157	*15,447	*161	2,623,057	914,622
\$10,000 under \$15,000	47,398	48,867	*854	*71	55,032	6,484	*2,956	*1,995	*4,768	*34	138,566	8,476
\$15,000 under \$20,000	79,047	102,384	*836	*742	86,212	6,711	—	—	*9	—	—	—
\$20,000 under \$25,000	62,205	141,715	*9,656	*2,844	77,653	7,082	*4,776	*964	*1,023	*147	—	—
\$25,000 under \$30,000	51,860	120,246	*6,186	*11,121	91,399	12,944	*2,663	*2,603	*5,242	*267	—	—
\$30,000 under \$40,000	87,373	211,099	21,433	7,745	82,333	14,559	*7,920	*919	*2,023	*107	—	—
\$40,000 under \$50,000	78,071	262,736	164,591	50,090	39,623	3,557	*3,955	*373	*4,000	*306	—	—
\$50,000 under \$75,000	143,264	632,413	383,845	203,845	45,659	9,935	9,834	2,024	9,394	2,032	—	—
\$75,000 under \$100,000	92,199	833,123	129,959	127,422	11,342	3,584	6,076	16,543	2,923	690	—	—
\$100,000 under \$200,000	144,485	2,314,992	115,906	172,090	8,913	2,492	5,518	1,815	7,401	4,775	—	—
\$200,000 under \$500,000	61,131	2,674,537	31,554	64,710	4,136	1,403	1,554	3,947	3,163	1,732	—	—
\$500,000 under \$1,000,000	12,422	1,922,507	6,059	15,544	814	428	282	1,925	771	558	—	—
\$1,000,000 or more	9,712	8,498,910	3,890	14,594	623	541	379	4,239	503	1,582	—	—
<b>Taxable returns, total</b>	<b>901,707</b>	<b>17,512,788</b>	<b>877,779</b>	<b>670,914</b>	<b>471,133</b>	<b>66,594</b>	<b>55,500</b>	<b>39,349</b>	<b>37,182</b>	<b>12,289</b>	<b>4,648,129</b>	<b>1,478,559</b>
No adjusted gross income	3,331	162,400	721	1,216	502	99	*67	*693	166	462	—	—
\$1 under \$5,000	22,156	13,390	**	**	*16	*12	*4,767	*1,206	*57	*1	—	—
\$5,000 under \$10,000	36,861	30,910	**4,770	*1,243	*29,522	*4,260	*4,768	*157	—	—	—	—
\$10,000 under \$15,000	38,785	37,252	*614	*31	37,125	4,142	*2,956	*1,995	*4,768	*34	—	—
\$15,000 under \$20,000	70,797	98,926	—	—	69,334	5,263	—	—	*9	—	—	—
\$20,000 under \$25,000	54,853	130,021	**15,842	*13,509	65,999	5,866	*4,776	*964	*204	*2	—	—
\$25,000 under \$30,000	51,015	119,544	**	**	81,303	11,133	*2,663	*2,603	*1,878	*28	—	—
\$30,000 under \$40,000	85,225	202,312	**185,769	*57,830	77,461	14,084	*7,920	*919	*2,023	*107	—	—
\$40,000 under \$50,000	76,700	253,176	**	**	**95,409	**16,856	*3,955	*373	*2,022	*286	—	—
\$50,000 under \$75,000	142,941	627,681	383,538	203,041	**	**	9,825	2,022	9,386	2,032	—	—
\$75,000 under \$100,000	92,068	831,967	129,850	127,285	**	**	6,076	16,543	2,923	690	—	—
\$100,000 under \$200,000	143,774	2,311,569	115,889	172,013	8,896	2,491	5,518	1,815	7,401	4,775	—	—
\$200,000 under \$500,000	61,083	2,673,242	31,510	64,630	**5,566	**2,366	**1,830	**5,820	**4,424	**3,871	—	—
\$500,000 under \$1,000,000	12,411	1,921,553	6,055	15,538	**	**	**	**	**	**	—	—
\$1,000,000 or more	9,707	8,498,843	3,885	14,579	**	**	379	4,239	**	**	—	—
<b>Nontaxable returns, total</b>	<b>83,770</b>	<b>122,217</b>	<b>5,432</b>	<b>5,869</b>	<b>379,146</b>	<b>60,492</b>	<b>91</b>	<b>129</b>	<b>21,289</b>	<b>1,964</b>	<b>4,648,129</b>	<b>1,478,559</b>

Footnote(s) at end of table.



**Table 3.3—All Returns: Tax Liability, Tax Credits, and Taxpayments, by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Advance earned income credit payments			Overpayment				Tax due at time of filing		Predetermined estimated tax penalty			
	Number of returns	Amount	(62)	Total		Refunded		Credited to 1987 estimated tax		Number of returns	Amount	Number of returns	Amount
				Number of returns	Amount	Number of returns	Amount	Number of returns	Amount				
<b>All returns, total</b>	<b>1,266</b>	<b>2,400</b>		<b>78,104,770</b>	<b>77,628,666</b>	<b>75,439,727</b>	<b>69,522,051</b>	<b>4,144,260</b>	<b>8,106,615</b>	<b>21,459,867</b>	<b>53,819,242</b>	<b>2,339,278</b>	<b>315,984</b>
No adjusted gross income	5	47		421,458	1,070,119	388,194	934,452	43,562	135,667	123,311	215,794	12,107	1,587
\$1 under \$5,000	—	—		12,180,652	3,009,552	12,084,351	2,941,672	153,503	67,880	1,680,095	283,499	32,306	925
\$5,000 under \$10,000	—	—		12,304,906	5,927,911	11,977,876	5,736,791	510,273	191,120	2,895,712	964,744	189,419	7,657
\$10,000 under \$15,000	—	—		11,151,248	5,832,934	10,709,035	5,619,350	564,051	213,584	2,419,062	1,366,670	313,273	13,907
\$15,000 under \$20,000	—	—		8,939,875	6,073,133	8,596,056	5,773,587	501,980	299,546	2,321,772	1,785,371	281,483	19,119
\$20,000 under \$25,000	—	—		7,242,149	6,335,954	6,956,722	6,067,683	442,933	268,270	1,959,941	1,847,699	265,600	21,808
\$25,000 under \$30,000	—	—		5,998,977	6,797,332	5,778,775	6,443,696	334,633	353,637	1,556,160	1,814,551	149,976	12,813
\$30,000 under \$40,000	—	—		8,730,670	12,451,303	8,410,107	11,801,467	456,143	649,836	2,732,275	3,733,624	352,422	35,247
\$40,000 under \$50,000	—	—		5,424,350	9,307,417	5,231,758	8,782,167	298,439	525,250	2,031,099	3,566,913	201,252	28,325
\$50,000 under \$75,000	836	54		4,279,018	10,058,599	4,053,698	9,120,037	419,233	938,562	2,143,127	5,931,059	254,998	40,242
\$75,000 under \$100,000	202	503		827,410	3,392,064	749,617	2,709,115	175,943	682,949	715,695	3,968,098	114,349	23,889
\$100,000 under \$200,000	202	1,759		467,109	3,240,185	399,034	2,260,403	157,669	979,782	645,381	7,650,223	122,517	56,016
\$200,000 under \$500,000	10	32		103,243	1,655,803	80,219	804,138	59,142	851,666	186,825	6,993,207	39,793	33,418
\$500,000 under \$1,000,000	8	4		23,569	1,261,636	18,453	224,322	18,678	1,037,314	27,798	3,518,523	6,477	9,363
\$1,000,000 or more	3	2		10,136	1,214,723	5,831	303,172	8,078	911,552	21,614	10,178,908	3,306	11,668
<b>Taxable returns, total</b>	<b>1,261</b>	<b>2,353</b>		<b>63,705,598</b>	<b>70,199,512</b>	<b>61,245,689</b>	<b>62,403,507</b>	<b>3,822,945</b>	<b>7,796,005</b>	<b>20,162,969</b>	<b>53,140,381</b>	<b>2,191,732</b>	<b>309,057</b>
No adjusted gross income	—	—		7,633	149,035	5,733	99,432	4,201	49,603	7,745	99,874	2,177	639
\$1 under \$5,000	—	—		2,646,362	801,553	2,605,894	768,177	70,324	33,375	1,088,245	168,211	19,612	475
\$5,000 under \$10,000	—	—		8,752,632	3,162,135	8,515,263	3,058,040	369,578	104,095	2,535,337	812,880	139,433	6,033
\$10,000 under \$15,000	—	—		10,542,802	5,207,617	10,113,091	5,011,467	535,634	196,150	2,314,455	1,276,588	284,863	13,160
\$15,000 under \$20,000	—	—		8,794,132	5,790,638	8,454,173	5,503,652	495,426	286,986	2,255,817	1,704,792	258,718	17,958
\$20,000 under \$25,000	—	—		7,191,801	6,202,611	6,911,676	5,948,098	436,213	254,513	1,934,755	1,809,776	252,872	20,763
\$25,000 under \$30,000	—	—		5,957,516	6,645,836	5,739,340	6,297,230	330,172	348,606	1,541,931	1,776,521	145,931	12,538
\$30,000 under \$40,000	—	—		8,702,158	12,324,554	8,384,101	11,692,332	451,861	632,222	2,716,818	3,694,419	348,502	34,973
\$40,000 under \$50,000	—	—		9,244,046	5,415,100	9,244,046	8,734,123	294,850	509,923	2,028,593	3,558,607	199,845	28,177
\$50,000 under \$75,000	836	54		9,973,902	9,973,902	4,043,764	9,041,810	417,118	932,092	2,142,752	5,930,768	253,413	40,009
\$75,000 under \$100,000	202	503		825,378	3,373,374	747,706	2,692,511	174,967	680,863	714,970	3,967,326	114,295	23,869
\$100,000 under \$200,000	202	1,759		464,875	3,213,015	397,361	2,242,035	156,840	970,980	645,362	7,650,174	122,514	56,016
\$200,000 under \$500,000	10	32		102,886	1,645,538	79,929	796,057	59,040	849,481	186,781	6,993,038	49,557	54,447
\$500,000 under \$1,000,000	8	4		23,506	1,257,912	18,408	221,985	18,654	1,035,928	49,408	13,697,407	3,306	11,668
\$1,000,000 or more	3	2		10,105	1,207,746	5,809	296,559	8,067	911,187	21,614	10,178,908	3,306	11,668
<b>Non-taxable returns, total</b>	<b>5</b>	<b>47</b>		<b>14,399,172</b>	<b>7,429,154</b>	<b>14,194,038</b>	<b>7,118,544</b>	<b>321,315</b>	<b>310,610</b>	<b>1,296,898</b>	<b>678,862</b>	<b>147,546</b>	<b>6,927</b>

\* Estimate should be used with caution because of the small number of sample returns on which it is based

\*\* Data combined to avoid disclosure of information for specific taxpayers

† Data deleted to avoid disclosure of information for specific taxpayers Deleted data are included in the appropriate totals

‡ Less than \$500

§ This field has Form 3800 data where we did not receive back-up schedules

NOTE Detail may not add to total because of rounding

**Table 3.4—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	All returns																													
	Classified by the highest marginal rate at which tax was computed																													
	Income tax after credits																													
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)																		
All marginal rates	97,358,296	2,508,406,247	1,939,308,023	310,652,210	365,761,670	99,789,217	360,500,996	14.4	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.4	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.4	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.4	18.6
0 percent	10,818,589	43,718,131	15,883,137	15,883,137	—	—	—	0.1	0.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.4	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.4	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.4	18.6
11 percent	6,764,095	45,520,276	25,100,399	5,924,515	646,189	651,697	451,610	1.0	1.8	96,539,707	153,243,162	153,243,162	153,243,162	153,243,162	1.0	1.8	96,539,707	153,243,162	153,243,162	153,243,162	153,243,162	1.0	1.8	96,539,707	153,243,162	153,243,162	153,243,162	153,243,162	1.0	1.8
12 percent	5,916,203	52,184,138	32,515,533	4,833,101	1,733,575	579,972	1,388,178	2.7	4.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	2.7	4.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	2.7	4.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	2.7	4.3
14 percent	10,359,803	124,417,615	85,191,877	17,450,214	6,637,218	2,443,032	6,181,953	5.0	7.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	5.0	7.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	5.0	7.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	5.0	7.3
15 percent	3,811,370	37,133,702	30,609,865	3,913,205	2,781,242	566,981	2,734,834	7.4	8.9	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	7.4	8.9	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	7.4	8.9	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	7.4	8.9
16 percent	8,544,174	147,916,838	110,676,895	15,304,632	11,141,640	2,448,741	11,141,640	7.5	10.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	7.5	10.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	7.5	10.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	7.5	10.1
17 percent	1,438,030	21,502,672	15,818,352	2,333,367	1,621,106	396,672	1,338,650	6.2	8.5	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	6.2	8.5	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	6.2	8.5	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	6.2	8.5
18 percent	8,877,093	191,985,648	147,703,436	15,795,402	17,307,553	2,843,172	16,763,827	9.7	11.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	9.7	11.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	9.7	11.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	9.7	11.3
20 percent	3,511,964	65,156,144	55,025,643	4,279,459	7,122,437	855,892	6,995,370	10.7	12.7	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	10.7	12.7	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	10.7	12.7	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	10.7	12.7
22 percent	5,567,590	175,825,880	133,750,745	13,158,556	17,791,923	2,894,882	17,379,945	9.9	13.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	9.9	13.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	9.9	13.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	9.9	13.0
23 percent	3,011,257	61,594,690	53,593,430	4,873,866	7,616,314	1,120,989	7,597,868	12.3	14.2	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	12.3	14.2	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	12.3	14.2	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	12.3	14.2
24 percent	863,211	19,290,202	16,028,883	2,348,871	2,921,298	563,729	2,800,663	11.4	14.5	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	11.4	14.5	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	11.4	14.5	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	11.4	14.5
25 percent	5,737,316	216,176,714	167,028,883	15,625,910	25,227,654	3,906,477	24,776,414	11.5	14.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	11.5	14.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	11.5	14.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	11.5	14.8
26 percent	8,726,577	87,644,942	76,010,051	8,771,775	2,282,221	12,387,793	12,387,793	13.1	16.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	13.1	16.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	13.1	16.3	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	13.1	16.3
28 percent	4,889,100	212,448,541	166,792,832	13,119,406	20,299,660	3,673,434	27,966,334	14.2	16.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.2	16.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.2	16.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	14.2	16.8
30 percent	1,842,491	59,156,680	51,129,721	4,458,004	9,503,615	1,337,407	9,516,655	16.1	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	16.1	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	16.1	18.6	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	16.1	18.6
32 percent	7,537,722	6,043,900	415,772	1,165,997	1,330,047	1,165,997	1,165,997	15.3	19.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	15.3	19.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	15.3	19.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	15.3	19.0
34 percent	5,021,742	269,107,828	213,377,045	24,311,906	41,703,198	8,022,929	41,703,198	15.4	19.4	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	15.4	19.4	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	15.4	19.4	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	15.4	19.4
36 percent	973,982	37,574,225	32,628,474	2,374,499	6,797,905	807,330	6,794,485	18.1	20.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	18.1	20.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	18.1	20.8	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	18.1	20.8
38 percent	123,390	6,420,606	5,130,354	590,697	1,136,663	206,744	1,129,888	17.6	22.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	17.6	22.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	17.6	22.0	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	17.6	22.0
40 percent	2,884,346	188,878,923	150,901,309	16,272,696	35,030,405	6,183,624	34,796,819	18.4	23.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	18.4	23.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	18.4	23.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	18.4	23.1
42 percent	1,579,796	135,035,190	107,475,891	14,481,787	29,470,529	6,092,550	29,177,820	21.6	27.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	21.6	27.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	21.6	27.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	21.6	27.1
44 percent	356,285	46,156,672	35,985,674	3,817,590	11,434,725	1,711,915	11,416,429	24.7	31.7	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	24.7	31.7	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	24.7	31.7	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	24.7	31.7
46 percent	169,394	14,824,232	12,168,037	1,882,148	3,919,317	903,431	3,902,846	26.3	32.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	26.3	32.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	26.3	32.1	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	26.3	32.1
48 percent	285,528	50,364,264	40,008,177	6,626,325	14,359,180	3,246,369	14,359,180	28.5	35.9	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	28.5	35.9	97,358,296	1,939,308,023	365,761,670	99,789,217	360,500,996	28.5	35.9	97,358,296	1,939,308,023	3				



**Table 3.4—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Separate returns of husbands and wives									
	Classified by the highest marginal rate at which tax was computed									
	Classified by each rate at which tax was computed									
	Returns of heads of households									
Classified by the highest marginal rate at which tax was computed										
Classified by each rate at which tax was computed										
Returns of heads of households										
Classified by the highest marginal rate at which tax was computed										
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Footnote(s) at end of table



**Table 3.4—Returns with Modified Taxable Income: Taxable Income and Tax Classified by Both the Marginal Rate and Each Rate at Which Tax was Computed—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Tax rate classes	Returns of single persons									
	Classified by the highest marginal rate at which tax was computed					Income tax after credits				
	Number of returns	Modified taxable income		Tax generated		Total	As a percent of adjusted gross income		As a percent of modified taxable income	Number of returns
		At all rates	At marginal rate	At all rates	At marginal rate		(56)	(57)		
	(49)	(51)	(52)	(53)	(54)	(55)	(56)	(57)	(58)	(59)
<b>All marginal rates</b> .....	<b>41,049,654</b>	<b>493,983,718</b>	<b>73,915,002</b>	<b>80,817,858</b>	<b>19,453,378</b>	<b>80,621,946</b>	<b>13.5</b>	<b>16.3</b>	<b>41,049,654</b>	<b>493,983,718</b>
0 percent .....	7,113,055	9,040,483	9,040,483	—	—	4,398	( <sup>1</sup> )	( <sup>1</sup> )	41,049,654	93,203,249
11 percent .....	3,454,283	10,636,451	2,076,724	225,915	228,440	221,803	1.5	2.1	33,936,599	38,350,680
12 percent .....	2,621,207	10,949,995	1,336,793	501,745	160,415	485,952	3.3	4.4	30,482,316	31,426,791
14 percent .....	4,445,617	26,036,724	4,935,010	1,846,918	690,901	1,821,308	5.5	7.0	27,861,109	57,854,022
15 percent .....	3,811,370	30,609,865	3,913,205	2,781,242	586,981	2,734,834	7.4	8.9	23,415,492	46,258,108
16 percent .....	3,734,211	45,800,080	4,624,438	4,098,560	739,910	4,071,247	8.9	10.5	19,604,122	43,981,817
17 percent .....	—	—	—	—	—	—	—	—	—	—
18 percent .....	2,720,202	40,192,689	2,896,712	4,048,367	521,408	4,041,100	10.1	11.7	15,869,911	32,746,551
20 percent .....	2,681,635	46,300,858	3,000,994	5,169,803	600,199	5,188,460	11.2	12.9	13,149,709	26,763,522
22 percent .....	—	—	—	—	—	—	—	—	—	—
23 percent .....	3,011,257	53,593,430	4,873,866	7,616,314	1,120,989	7,597,868	12.3	14.2	10,468,074	30,599,885
24 percent .....	—	—	—	—	—	—	—	—	—	—
25 percent .....	—	—	—	—	—	—	—	—	—	—
26 percent .....	3,426,577	76,010,051	8,777,775	12,385,793	2,282,221	12,387,813	14.1	16.3	7,456,817	31,830,747
28 percent .....	—	—	—	—	—	—	—	—	—	—
30 percent .....	1,842,491	51,129,721	4,458,004	9,503,615	1,337,401	9,516,655	16.1	18.6	4,030,240	16,971,929
32 percent .....	—	—	—	—	—	—	—	—	—	—
33 percent .....	—	—	—	—	—	—	—	—	—	—
34 percent .....	973,982	32,628,474	2,374,499	6,797,905	807,330	6,794,485	18.1	20.8	2,187,749	9,317,246
35 percent .....	—	—	—	—	—	—	—	—	—	—
38 percent .....	562,386	22,480,688	1,814,828	5,234,914	689,634	5,257,748	19.7	23.4	1,213,767	7,012,848
42 percent .....	354,162	17,958,013	2,160,721	4,824,515	907,503	4,845,685	22.2	27.0	651,381	6,586,312
45 percent .....	—	—	—	—	—	—	—	—	—	—
48 percent .....	162,080	11,413,721	1,771,514	3,654,720	850,327	3,640,411	26.3	31.9	297,219	5,638,489
49 percent .....	—	—	—	—	—	—	—	—	—	—
50 percent .....	135,139	27,773,546	15,859,436	12,127,532	7,329,718	12,012,178	34.4	43.3	135,139	15,859,436

<sup>1</sup> Because of how the data were processed, the detail for these columns do not add to totals

<sup>2</sup> Less than \$500

<sup>3</sup> Less than 0.05 percent

NOTE: Detail may not add to total because of rounding

Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Number of returns	Taxable income	Modified taxable income at all rates	Tax generated at specified rate								
				0 percent		11 percent		12 percent				
				Number of returns	Modified taxable income	Number of returns	Modified taxable income	Number of returns	Modified taxable income			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
<b>Total</b>	<b>97,358,296</b>	<b>1,939,308,023</b>	<b>365,761,670</b>	<b>97,358,296</b>	<b>281,591,770</b>	<b>86,539,707</b>	<b>153,243,162</b>	<b>16,856,748</b>	<b>79,775,612</b>	<b>138,094,218</b>	<b>16,571,306</b>	
Under \$2,000	2,496,763	1,647,919	8,730	2,496,763	1,567,589	195,471	80,330	8,836	—	—	—	
\$2,000 under \$4,000	5,989,239	10,746,808	69,541	5,989,239	10,126,725	1,097,208	509,963	56,096	195,472	109,756	13,171	
\$4,000 under \$6,000	6,500,508	20,842,848	677,874	6,500,508	14,820,191	4,887,405	4,578,364	503,620	2,285,129	1,311,242	157,349	
\$6,000 under \$8,000	29,234,281	29,246,167	1,635,790	6,247,798	15,667,716	5,084,768	6,203,970	682,437	3,943,918	473,270	2,793,736	
\$8,000 under \$10,000	6,233,540	40,174,761	2,946,136	6,233,540	16,854,632	5,780,072	8,133,418	894,676	4,731,492	5,214,545	625,745	
\$10,000 under \$12,000	5,650,830	45,946,292	3,926,358	5,650,830	15,785,549	5,485,941	8,713,003	958,430	5,026,081	6,245,982	771,118	
\$12,000 under \$14,000	5,460,140	54,843,965	5,302,823	5,460,140	15,466,658	5,380,061	8,889,072	977,798	5,197,648	7,812,934	937,552	
\$14,000 under \$16,000	4,845,857	56,434,153	5,858,014	4,845,857	14,188,532	4,790,470	8,472,768	932,005	4,704,855	7,904,317	948,518	
\$16,000 under \$18,000	4,533,493	61,331,432	6,946,064	4,533,493	13,263,784	4,517,971	7,906,247	869,687	4,471,300	7,470,344	886,441	
\$18,000 under \$20,000	4,293,572	64,953,557	7,734,912	4,293,572	12,932,704	4,266,880	7,659,640	842,560	4,227,900	7,331,137	879,736	
\$20,000 under \$25,000	9,194,660	164,980,990	21,319,743	9,194,660	28,486,063	9,174,232	17,208,447	1,892,929	9,149,494	16,708,602	2,005,032	
\$25,000 under \$30,000	7,541,896	165,356,830	23,222,644	7,541,896	24,347,375	7,521,560	14,789,804	1,626,878	7,500,117	14,476,004	1,737,120	
\$30,000 under \$40,000	11,474,320	313,916,976	39,073,341	11,474,320	38,555,383	11,468,841	23,564,984	2,592,094	11,457,164	23,201,628	2,784,195	
\$40,000 under \$50,000	7,451,366	258,424,311	45,806,745	7,451,366	26,095,142	7,449,952	16,009,672	1,761,064	7,438,670	15,839,684	1,900,762	
\$50,000 under \$75,000	6,417,415	295,296,881	62,379,582	6,417,415	22,777,013	6,413,596	14,001,083	1,540,119	6,410,904	13,882,634	1,665,916	
\$75,000 under \$100,000	1,542,724	100,211,601	25,933,850	1,542,724	5,452,587	1,542,106	3,342,514	367,677	3,312,727	3,312,727	397,527	
\$100,000 under \$200,000	1,111,622	112,757,958	36,196,015	1,111,622	3,914,701	1,110,714	2,396,330	263,618	1,110,596	2,374,310	284,917	
\$200,000 under \$500,000	289,557	64,277,685	26,279,473	289,557	997,811	289,474	605,075	66,558	289,348	597,319	71,678	
\$500,000 under \$1,000,000	51,267	27,327,574	12,597,173	51,267	179,854	51,258	110,219	12,124	51,258	109,184	13,102	
\$1,000,000 or more	31,729	56,985,871	27,846,861	31,729	111,762	31,727	68,547	7,540	31,727	67,951	8,154	
Tax generated at specified rate—Continued												
Size of adjusted gross income	Number of returns	Modified taxable income	Tax generated at rate	15 percent		16 percent		17 percent				
				Number of returns	Modified taxable income	Number of returns	Modified taxable income	Number of returns	Modified taxable income			
				(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)
<b>Total</b>	<b>73,859,409</b>	<b>243,611,000</b>	<b>34,105,540</b>	<b>23,415,492</b>	<b>46,258,108</b>	<b>6,938,716</b>	<b>187,442,543</b>	<b>29,990,807</b>	<b>5,064,118</b>	<b>14,444,501</b>	<b>2,455,565</b>	
Under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	38,141	9,354	1,310	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	326,478	152,559	21,358	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000	3,241,029	3,409,502	477,330	36,329	32,816	4,922	10,561	1,690	—	—	—	—
\$8,000 under \$10,000	3,780,346	7,654,658	1,071,652	2,697,598	2,323,275	348,491	81,955	13,113	—	—	—	—
\$10,000 under \$12,000	3,867,617	7,710,946	1,079,532	2,861,268	5,565,114	834,767	2,017,783	274,609	100,121	31,815	5,409	
\$12,000 under \$14,000	4,677,642	9,617,110	1,346,395	2,768,064	5,899,881	884,982	2,736,278	915,609	480,901	563,660	95,822	
\$14,000 under \$16,000	4,522,107	10,940,076	1,531,611	2,077,561	4,462,337	669,351	5,048,234	807,717	690,435	1,541,858	262,116	
\$16,000 under \$18,000	4,351,315	12,207,962	1,709,115	2,068,255	4,451,332	667,709	5,906,367	945,019	629,140	1,912,298	325,091	
\$18,000 under \$20,000	4,173,645	13,199,187	1,847,886	1,816,719	3,911,260	586,689	7,626,525	1,220,244	473,496	1,517,750	258,018	
\$20,000 under \$25,000	9,084,059	31,255,030	4,375,704	3,216,056	6,942,881	1,041,432	24,384,788	3,901,566	977,692	3,172,147	539,265	
\$25,000 under \$30,000	7,489,149	28,012,256	3,921,716	2,045,639	4,409,288	661,393	6,687,980	3,964,106	655,297	2,180,151	373,626	
\$30,000 under \$40,000	11,444,028	46,055,181	6,447,725	2,027,259	4,760,442	1,744,066	10,698,917	6,820,857	658,938	2,195,197	373,184	
\$40,000 under \$50,000	7,429,880	32,006,892	4,490,965	813,723	1,757,642	263,646	30,230,104	4,836,817	220,711	737,175	125,320	
\$50,000 under \$75,000	6,409,488	28,225,406	3,951,557	502,495	1,084,371	162,856	26,782,424	4,285,188	126,235	421,623	71,676	
\$75,000 under \$100,000	1,541,685	6,744,204	944,189	140,961	304,229	45,634	6,418,615	1,026,978	25,315	84,552	14,374	
\$100,000 under \$200,000	1,110,493	4,833,681	676,175	109,746	236,935	35,540	4,600,738	736,118	19,210	64,141	10,904	
\$200,000 under \$500,000	289,329	1,216,519	170,313	45,881	99,103	14,865	1,164,195	186,271	5,083	16,977	586	
\$500,000 under \$1,000,000	51,252	222,015	45,881	5,151	1,125	1,669	211,241	33,799	1,029	3,437	584	
\$1,000,000 or more	31,726	138,463	19,385	2,787	6,020	903	131,922	21,108	1,720	1,720	—	

Footnote(s) at end of table



**Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued**  
(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate—Continued											
	18 percent			20 percent			22 percent			23 percent		
	Number of returns (25)	Modified taxable income (26)	Tax generated at rate (27)	Number of returns (28)	Modified taxable income (29)	Tax generated at rate (30)	Number of returns (31)	Modified taxable income (32)	Tax generated at rate (33)	Number of returns (34)	Modified taxable income (35)	Tax generated at rate (36)
<b>Total</b>	<b>49,706,032</b>	<b>167,521,881</b>	<b>30,153,939</b>	<b>15,665,787</b>	<b>33,857,821</b>	<b>6,771,564</b>	<b>25,163,152</b>	<b>105,530,346</b>	<b>23,216,676</b>	<b>10,468,074</b>	<b>30,599,885</b>	<b>7,037,973</b>
Under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000	*4,768	*749	*135	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000	*4,767	*629	*113	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000	66,755	60,926	10,967	—	—	—	—	—	—	—	—	—
\$14,000 under \$16,000	1,269,133	821,330	147,839	*9,536	*5,688	*1,138	*28,607	*9,759	*2,147	—	—	—
\$16,000 under \$18,000	2,054,043	3,481,299	626,634	743,264	362,639	72,528	*36,327	*58,108	*12,784	*4,767	*10,187	*2,343
\$18,000 under \$20,000	2,491,192	5,098,607	917,749	1,788,988	2,751,622	550,324	47,676	102,212	22,487	368,730	118,312	27,212
\$20,000 under \$25,000	2,255,135	5,061,394	911,051	1,844,697	3,684,638	736,928	*9,172	*18,948	*4,169	1,377,077	1,986,158	456,816
\$25,000 under \$30,000	6,732,859	15,271,387	2,748,850	3,817,651	8,489,792	1,697,958	239,501	297,659	65,485	2,963,796	8,902,130	2,047,490
\$30,000 under \$40,000	6,867,076	22,586,860	4,065,635	2,620,625	6,421,021	1,284,204	2,506,965	5,381,190	1,183,862	1,970,580	6,647,863	1,529,008
\$40,000 under \$50,000	11,163,221	43,377,221	7,807,900	2,827,478	7,106,306	1,421,261	7,613,517	30,650,858	6,743,189	2,171,566	7,409,055	1,704,083
\$50,000 under \$75,000	7,393,248	31,270,298	5,628,654	1,033,597	2,606,391	521,278	6,283,830	29,271,586	6,439,749	812,050	2,773,477	637,900
\$75,000 under \$100,000	6,386,537	27,602,238	4,968,043	624,998	1,565,694	313,139	5,738,212	27,150,414	5,973,091	496,244	1,707,167	392,648
\$100,000 under \$200,000	1,537,060	6,602,029	1,188,365	165,730	404,075	80,815	1,369,187	6,486,323	1,426,991	139,821	482,004	110,861
\$200,000 under \$500,000	1,108,158	4,737,427	852,737	128,787	314,946	62,989	978,627	4,630,851	1,018,787	109,634	377,979	86,935
\$500,000 under \$1,000,000	289,125	1,195,404	215,173	50,955	121,666	24,333	238,080	1,125,665	247,646	45,872	158,173	36,380
\$1,000,000 or more	51,230	218,144	39,266	6,179	15,241	3,048	45,038	212,731	46,801	5,150	17,766	4,086
	31,725	135,940	24,469	3,302	8,103	1,621	28,423	134,040	29,489	2,787	9,615	2,211

Size of adjusted gross income	Tax generated at specified rate—Continued											
	24 percent			25 percent			26 percent			28 percent		
	Number of returns (37)	Modified taxable income (38)	Tax generated at rate (39)	Number of returns (40)	Modified taxable income (41)	Tax generated at rate (42)	Number of returns (43)	Modified taxable income (44)	Tax generated at rate (45)	Number of returns (46)	Modified taxable income (47)	Tax generated at rate (48)
<b>Total</b>	<b>1,685,749</b>	<b>7,053,788</b>	<b>1,692,909</b>	<b>19,595,562</b>	<b>94,233,396</b>	<b>23,558,349</b>	<b>7,456,817</b>	<b>31,830,747</b>	<b>8,275,994</b>	<b>14,680,784</b>	<b>68,559,410</b>	<b>19,196,635</b>
Under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$16,000	—	—	—	*17,256	*8,603	*2,151	—	—	—	—	—	—
\$16,000 under \$18,000	—	—	—	*38,141	*69,997	*17,499	—	—	—	—	—	—
\$18,000 under \$20,000	—	—	—	*2,955	*8,451	*2,113	—	—	—	*4,767	*11,488	*3,217
\$20,000 under \$25,000	—	—	—	100,164	264,180	66,045	1,883,094	3,215,925	836,140	*2,955	*1,950	*546
\$25,000 under \$30,000	198,815	283,808	68,114	100,164	264,180	66,045	1,883,094	3,215,925	836,140	85,247	173,535	48,590
\$30,000 under \$40,000	481,258	1,546,080	371,059	215,460	223,702	55,925	1,862,886	8,222,133	2,137,755	101,800	164,326	46,011
\$40,000 under \$50,000	607,931	3,010,649	722,556	4,902,520	15,686,871	3,921,718	2,109,085	11,391,792	2,961,866	1,442,792	3,305,502	925,541
\$50,000 under \$75,000	220,711	1,205,897	289,415	5,970,722	30,766,003	7,691,501	798,368	4,473,112	1,163,009	4,723,136	18,999,387	5,319,828
\$75,000 under \$100,000	126,181	716,725	172,014	5,694,311	32,087,420	8,021,855	493,734	2,796,717	727,147	5,624,908	30,595,249	8,566,670
\$100,000 under \$200,000	25,074	143,423	34,422	1,366,457	7,786,511	1,946,628	138,985	794,174	206,485	1,385,503	7,862,247	2,201,429
\$200,000 under \$500,000	19,152	109,335	26,240	976,122	5,559,598	1,389,899	109,385	624,613	162,399	991,890	5,640,181	1,579,251
\$500,000 under \$1,000,000	5,083	29,040	6,970	237,996	1,354,563	338,641	45,821	262,096	68,145	242,799	1,379,989	386,397
\$1,000,000 or more	1,029	5,886	1,413	45,038	256,104	64,026	5,149	29,452	7,658	46,053	261,502	73,221
	515	2,946	707	28,420	161,394	40,348	2,787	15,942	4,145	28,334	164,053	45,935

Footnote(s) at end of table.



Table 3.5—Returns with Modified Taxable Income: Tax Generated by Rate and by Size of Adjusted Gross Income—Continued

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Size of adjusted gross income	Tax generated at specified rate—Continued											
	30 percent			32 percent			33 percent			34 percent		
	Number of returns (49)	Modified taxable income (50)	Tax generated at rate (51)	Number of returns (52)	Modified taxable income (53)	Tax generated at rate (54)	Number of returns (55)	Modified taxable income (56)	Tax generated at rate (57)	Number of returns (58)	Modified taxable income (59)	Tax generated at rate (60)
<b>Total</b> .....	4,030,240	16,971,929	5,091,579	395,762	1,642,311	525,540	9,395,922	73,874,453	24,378,570	2,187,749	9,317,246	3,167,864
Under \$2,000	—	—	—	—	—	—	—	—	—	—	—	—
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—	—	—	—
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—	—	—	—
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—	—	—	—
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—	—	—	—
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—	—	—	—
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—	—	—	—
\$14,000 under \$16,000	—	—	—	—	—	—	—	—	—	—	—	—
\$16,000 under \$18,000	—	—	—	—	—	—	—	—	—	—	—	—
\$18,000 under \$20,000	—	—	—	—	—	—	—	—	—	—	—	—
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—	—	—	—
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—	—	—	—
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—	—	—	—
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—	—	—	—
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—	—	—	—
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—	—	—	—
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—	—	—	—
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—	—	—	—
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—	—	—	—
\$1,000,000 or more	2,787	15,942	4,782	515	2,929	937	28,419	322,754	106,509	2,787	15,942	5,420
Tax generated at specified rate—Continued												
Size of adjusted gross income	35 percent			38 percent			42 percent					
	Number of returns (61)	Modified taxable income (62)	Tax generated at rate (63)	Number of returns (64)	Modified taxable income (65)	Tax generated at rate (66)	Number of returns (67)	Modified taxable income (68)	Tax generated at rate (69)			
	(61)	(62)	(63)	(64)	(65)	(66)	(67)	(68)	(69)			
<b>Total</b> .....	214,430	1,632,194	571,268	5,587,947	52,512,295	19,954,672	2,794,641	43,624,959	18,322,483			
Under \$2,000	—	—	—	—	—	—	—	—	—			
\$2,000 under \$4,000	—	—	—	—	—	—	—	—	—			
\$4,000 under \$6,000	—	—	—	—	—	—	—	—	—			
\$6,000 under \$8,000	—	—	—	—	—	—	—	—	—			
\$8,000 under \$10,000	—	—	—	—	—	—	—	—	—			
\$10,000 under \$12,000	—	—	—	—	—	—	—	—	—			
\$12,000 under \$14,000	—	—	—	—	—	—	—	—	—			
\$14,000 under \$16,000	—	—	—	—	—	—	—	—	—			
\$16,000 under \$18,000	—	—	—	—	—	—	—	—	—			
\$18,000 under \$20,000	—	—	—	—	—	—	—	—	—			
\$20,000 under \$25,000	—	—	—	—	—	—	—	—	—			
\$25,000 under \$30,000	—	—	—	—	—	—	—	—	—			
\$30,000 under \$40,000	—	—	—	—	—	—	—	—	—			
\$40,000 under \$50,000	—	—	—	—	—	—	—	—	—			
\$50,000 under \$75,000	—	—	—	—	—	—	—	—	—			
\$75,000 under \$100,000	—	—	—	—	—	—	—	—	—			
\$100,000 under \$200,000	—	—	—	—	—	—	—	—	—			
\$200,000 under \$500,000	—	—	—	—	—	—	—	—	—			
\$500,000 under \$1,000,000	—	—	—	—	—	—	—	—	—			
\$1,000,000 or more	512	5,857	2,050	31,201	454,700	172,786	31,713	829,199	348,264			

Footnote(s) at end of table

Tax generated at specified rate—Continued

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
NOTE: Detail may not add to total because of rounding

\* Estimate should be used with caution because of the small number of sample returns on which it is based  
NOTE: Detail may not add to total because of rounding





## Section 4

# High Income Returns: Taxable and Nontaxable\*

Each year, a small number of individual income tax returns which report income of \$200,000 or more do not show any income tax liability. Although such returns represent only a tiny fraction of all Federal income tax returns with high incomes (fewer than 1 in 500 returns), they generate a great deal of interest. Attention focuses on the features of the income tax system that seem to permit some high-income people to completely avoid Federal income tax at the same time that other taxpayers, most of whom have much lower incomes, have tax liabilities amounting to significant shares of their incomes. Information on the reasons for nontaxability of some high-income filers may provide a basis for discussing whether such features are necessary and appropriate in a broad-based income tax system.

The Tax Reform Act of 1976 required annual publication of data on individuals with high incomes including the number of such individuals who did not pay any income tax and the importance of various tax provisions in making those individuals nontaxable [1]. The 1976 Act specified that the tax return data be tabulated using four different concepts of income [2]. The Deficit Reduction Act of 1984 eliminated the requirement for publishing data for the two lesser-used income concepts [3]. Data for the years 1974, 1975, 1979-1985 have been published previously [4].

This Section contains the available high-income tax return data for 1986, with emphasis on high-income returns which are nontaxable. At the end of the text but preceding the tables are two appendices which include summaries of the definitions and concepts which are crucial to an understanding of high-income tax returns in general and nontaxable, high-income returns in particular. Appendix A, "Income Concepts: A Primer," describes and explains the differences between the two major and two minor concepts used to measure income. Appendix B, "Measurement of Taxes," discusses the proper measurement of income tax burdens, explains the different treatment of the foreign tax credit, outlines the methodology used to equate the importance of exclusions and deductions as

compared with tax credits, and reviews certain limitations in the data underlying this Section.

This Section includes twelve tables with data representing 1986 income tax returns, mainly those with incomes of \$200,000 or more under one or more different concepts of income. Most of the data are shown for taxable and nontaxable returns both separately and combined.

The tables show:

- The numbers of total and high-income returns (taxable, nontaxable, and combined) under each of the four income concepts (Tables 1 and 2);
- The distributions of taxable income as a percentage of total income (Tables 3 and 4);
- The frequencies and amounts of various sources of income, exclusions, deductions, taxes, and tax credits, as well as the relationships among all four income concepts used in this Section (Tables 5 and 6);
- The frequencies with which various deductions and tax credits are the most important and second most important items in reducing (or eliminating) income taxes (Tables 7 and 8);
- The frequencies with which various itemized deductions and tax credits occur as certain percentages of income (Tables 9 and 10); and
- The distributions of effective tax rates, i.e., income tax as a percentage of income, for all returns and for high-income returns (Tables 11 and 12).

In addition to the data on high-income returns, the tables distribute all 1986 returns by broad income classes and cross-classify numbers of returns in each income class by the various income concepts. For purposes of comparison, the tables with distributions of returns by their effective tax rates include

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\*Allen H. Lerman, of the Office of Tax Analysis, U.S. Treasury Department, designed the tables and prepared the text for this Section. Robert Kalish was responsible for production and table review.

distributions for returns other than high-income returns.

Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income taxes; this is the treatment on tax returns. Tables 2, 4, 6, 8, 10, and 12 are similar to the first set of tables but treat foreign tax credits as part of the individual's income tax liability. In these tables, tax is referred to as "Modified Total Income Tax." This different treatment is explained in more detail under the heading "Foreign Tax Credits" in Appendix B.

#### Numbers of High-Income Tax Returns

For 1986, the number of tax returns with incomes of at least \$200,000 ranged from 356,932 to 546,807, depending on the income concept. These numbers represent from 0.35 percent to 0.53 percent of all tax returns filed.

#### Nontaxable High-Income Returns

For 1986, there were 529,460 income tax returns with expanded income (which is deemed to be a better definition of income than AGI) of \$200,000 or more. Of these, 595 or 0.112 percent, had no U.S. income tax liability, and 379, or 0.072 percent, showed no worldwide income tax liability.

Of the 374,363 tax returns for 1986 with AGI of \$200,000 or more, 659 or 0.176 percent, reported no U.S. income tax, and 437, or 0.117 percent, had no worldwide tax liability.

#### NOTES AND REFERENCES

- [1] Section 2123, 90 Stat. at 1915.
- [2] The concepts are: adjusted gross income (AGI), expanded income, AGI plus excluded preferences, and AGI less investment interest not in excess of investment income. See Appendix A for a full discussion of these concepts.
- [3] Section 441 (90 Stat. at 815) eliminated the requirement of using AGI plus excluded preferences and AGI less investment interest not in excess of investment income. Despite Section 441, for purposes of historical comparison, this report includes summary data on the numbers of total, taxable, and nontaxable returns for these two income concepts. See Tables 1 through 4.
- [4] Lerman, Allen H., High Income Tax Returns: 1974 and 1975, A Report on High Income Taxpayers Emphasizing Tax Returns with Little or No Tax Liability, U.S. Department of Treasury, Office of Tax Analysis, March 1977, and High Income Tax Returns: 1975 and 1976, A Report Emphasizing Nontaxable and

Nearly Nontaxable Income Tax Returns, U.S. Department of the Treasury, Office of Tax Analysis, August 1978.

U.S. Department of the Treasury, Internal Revenue Service, Statistics of Income--Individual Income Tax Returns, reports for 1977, 1978, 1979, 1980, 1981, 1982, and 1985. (For 1977 and 1978, only the actual numbers of nontaxable, high-AGI returns have been published.)

Lerman, Allen H., "High Income Tax Returns, 1983", Statistics of Income Bulletin, Spring 1986, Volume 5, Number 4, pp. 31-61.

Lerman, Allen H., "High Income Returns, for 1984", Statistics of Income Bulletin, Spring 1987, Volume 6, Number 4, pp. 1-29.

#### APPENDIX A

##### INCOME CONCEPTS: A PRIMER

This Appendix contains an explanation of the differences between the two major and two minor concepts of income which are used in this Section and an outline of how the various concepts differ from the ideal economic concept of income. The two major conceptual differences between the income measures are detailed, and the exact relationships between the various concepts are defined.

##### Economic Income, the Ideal Measure

Economists generally agree that for analyzing the impact of taxes, the ideal measure of income over a particular period of time, say a year, is the value of what the individual or family consumed over that period plus the change, if any, in its net worth [A1]. For example, if during a year a family spent \$25,000 and saved \$2,000, economists would say the family had an income of \$27,000. Similarly, if the family spent \$25,000 but owned an asset such as an automobile that decreased in value by \$1,000, economists would say that the family had an income of only \$24,000. A brief examination of the differences between income as defined by economists, often called economic income, and the adjusted gross income (AGI) concept, used for Federal income tax administration, illustrates some of the problems of measuring income, especially for high-income individuals.

##### Adjusted Gross Income

The concept of adjusted gross income was developed for tax administration. It has never been meant to be an accurate measure of so-called economic income. Indeed, it is well recognized that AGI is deficient as a measure of economic income. For Tax Year 1986, AGI excludes certain types of income, such as



interest from tax-exempt State and local Government bonds, most social security benefits, imputed rent on owner-occupied housing, the value of many employee fringe benefits and a portion of net realized long-term capital gains. Also, while not strictly excluded from AGI, income from other activities is deferred to a later year, or indefinitely, for income tax purposes. Depreciation deductions allowed for income tax purposes that exceed the decrease in the economic value of an asset often reduce AGI below economic income early in an asset's life. The resulting lower depreciation deductions in later years may raise AGI above economic income. The net effect, however, of accelerated depreciation is to postpone taxes, perhaps indefinitely [A2].

Adjusted gross income excludes most changes in net worth, such as the 60 percent of realized long-term capital gains that was excluded for 1986 and all accrued, but unrealized, capital gains [A3].

Even though some types of income are excluded, AGI may overstate economic income because some expenses incurred in the production of income are not deductible in the computation of AGI. Most of these expenses, however, are deductible from AGI in calculating taxable income, but only if the taxpayer "itemizes" deductions. Expenses falling into this category include certain expenses incurred by employees (such as union dues and expenditures for items used on-the-job but not reimbursed by the employer) and expenses attributable to a taxpayer's investments (as opposed to the active operation of a trade or business), including, but not limited to, interest expense incurred in connection with investments in securities. Although net capital losses reduce economic income, only the first \$3,000 of net realized capital losses may be deducted in computing AGI. Any additional realized losses must be carried forward to future years. Moreover, for 1986, only 50 percent of realized, net long-term capital losses may be deducted in computing AGI.

### Redefining Income

Ideally, the impact of all taxes should be measured relative to economic income. However, no accurate, detailed data on such a broadly-defined income measure are available from income tax returns (or from any other source) for a cross-section of American taxpayers. As a practical matter, any broad income measure must be calculated from data already available from Federal individual income tax returns. Thus, a more comprehensive income measure must start from AGI and, to the extent that data are available, must make adjustments for omitted income items and expenses that ought to be deductible in calculating economic income [A4].

### Omitted Income and Accelerated Deductions

Tax returns contain information about only a portion of the income included in economic income but excluded from AGI. The omitted income that could be identified on 1986 income tax returns consisted of the excluded portion of long-term capital gains (and current-year losses in excess of currently deductible amounts), the dividend exclusion of up to \$100 per tax return (up to \$200 on joint returns), payments to self-employed retirement (Keogh) and Individual Retirement Arrangement (IRA) pension savings plans, the excluded portion of unemployment insurance benefits, some social security benefits, and income from sources considered to be tax preferences for purposes of the alternative minimum tax. Even if no alternative minimum tax is due, such preferences are generally supposed to be reported on Form 6251, Alternative Minimum Tax Computation, which is supposed to accompany the person's income tax return [A5].

Even after including preference income which was not in AGI but which was identifiable on 1986 tax returns, several major sources of income for high-income taxpayers were still omitted:

- Interest on tax-exempt State and local Government bonds;
- All accrued but unrealized income, primarily unrealized capital gains;
- Certain agricultural expenses deducted when paid, even though related income items are not includable in income until a later year;
- Imputed rental income from owner-occupied housing and from consumer durables;
- Straight-line depreciation deductions on real estate to the extent that they exceed economic depreciation;
- Income "sheltered" from taxation--primarily partnership income--through deferral of the recognition of income for tax purposes and/or the acceleration of deduction items; and
- The value of employee fringe benefits [A6].

For real estate, the combination of a shorter life for tax purposes than the true economic life of the property and the use of accelerated depreciation methods may produce tax depreciation deductions exceeding economic depreciation, especially in the early years of ownership. Subsequently, income may be correspondingly



higher, but in the meantime, the taxpayer has had the interest-free use of the deferred taxes. Also, if taxed in the future, the income could be converted into a long-term capital gain, which through Tax Year 1987 would generally be taxed at a lower rate than ordinary income.

Conceptual differences between income subject to ordinary tax and income benefitting from tax-preferred treatment may also lead to some understatement of income. Because of tax benefits, individuals may be willing to accept lower rates of return on investments yielding tax-preferred income. If one views that reduction in potential income as an "implicit tax" on that income (paid in lieu of ordinary tax), then the reporting of fully taxable and tax-preferred income is not consistent. Fully taxable income is being reported on a pre-tax basis, whereas a tax-preferred income is being shown on an after-tax basis. See "Implicit Tax" in Appendix B for further discussion of this concept.

Because income sources not identifiable from tax return data are excluded, all income measures used in the data for this Section may understate economic income. As a consequence, some individuals with high economic incomes may have been omitted completely from the high-income group covered by this report. Moreover, the income of some individuals who are included may have been understated, and tax as a percentage of income (i.e., the effective tax rate) may have been overstated.

### Investment Expenses

In measuring economic income, it generally would be appropriate to deduct all expenses incurred in the production of income, including those related to any income-producing investments. Since economic income would include all investment income, including accrued capital gains and losses, it would be proper to deduct all investment expenses without limit. Investment expenses in excess of income would then represent net economic losses, roughly akin to "net operating losses" from a trade or business. However, such a liberal deduction for investment-related expenses is not necessarily correct when all income items have not been included currently.

If all income has not been included currently, full deduction of investment expenses might represent a mismatching of receipts and expenses and might result in understating income. For example, if a taxpayer borrowed funds to purchase securities, net income would be understated if the taxpayer deducted all interest payments on the loan but did not include as income any accrued gains on the securities. A similar mismatching of income and expenses would occur if investment expenses that should properly be capitalized were deducted when paid. In these instances, a more accurate measure of

income might be obtained by postponing the deduction of the expense until such time as the income were recognized for tax purposes.

Additional problems are created when a person with a loan has both income-producing assets, such as securities, and non-income-producing assets, such as a vacation home or yacht. It is not possible to determine what portion of the interest expense should be attributed to taxable income-producing assets and, therefore, ought to be deductible against the gross receipts from such taxable assets.

As a result of these problems, it has been necessary to set arbitrary limits on the amount of investment expenses which are deductible in calculating a broader measure of income.

Investment expenses that have not been deducted in determining AGI generally appear on a Federal individual income tax return in one of two places. Investment interest is taken into account in the calculation of the itemized deduction for interest; other investment expenses such as management fees are included in the miscellaneous category of itemized deductions [A7]. To determine expenses that should be deductible in calculating an approximation of economic income, investment expenses have been defined as the entire interest deduction other than the interest paid on a home mortgage. Other investment expenses could not be determined since they could not be separated from the remainder of "miscellaneous" deductions. Hence, they have not been used in the adjustment for investment expenses.

To the extent that interest expenses do not exceed investment income, they have been allowed as a deduction in the computation of a broader measure of income. Investment interest expenses which do exceed investment income are not deductible in calculating the broader income measure. One consequence of this definition is that investment expenses can never turn positive investment income into investment losses. Generally, allowing investment expenses to offset all investment income is generous and tends to understate broadly-measured income. However, in some instances, limiting investment expenses to investment income may overstate income by disallowing genuine investment losses. This arbitrary procedure has been selected because, especially with the omission of accrued capital gains from measured income, allowing all investment expenses to be deducted would represent a mismatching of income and expenses.

The amount of investment income against which investment interest can be offset depends on the amount of investment income included in the income measure under consideration. Investment income consists of interest, dividends, and net capital gains (or losses). However, if only a portion of capital gains is included in the income concept, as is the case with AGI for 1986, then only that portion is considered to be investment income. A similar adjustment is

also made for the dividend exclusion of up to \$100 per tax return (\$200 on a joint return).

### Expanded Income

The Congress has asked for high-income data to be tabulated on the basis of a measure closely approximating economic income but using only data available on tax returns. This measure is called "expanded income."

Expanded income is defined as adjusted gross income (AGI) plus items of tax preference income excluded from AGI less investment expenses to the extent that they do not exceed investment income [A8]. Tax preferences considered for 1986 were the \$100-per-tax-return exclusion for qualifying dividends (\$200 on a joint return), the excluded portion of net long-term capital gains, and, where the taxpayer filed a Form 6251, Alternative Minimum Tax Computation, all other excluded income preferences subject to the minimum tax [A9]. For individuals, the only preference income items of significance other than the excluded portion of capital gains are the excess of accelerated depreciation over straight-line depreciation on real property and on personal property subject to a lease, the excess of percentage depletion over the cost of the property, and deductions for intangible drilling costs in excess of the amounts deductible if these costs had been amortized. Because expanded income is based on tax return data, it excludes items such as interest on tax-exempt State and local Government bonds, accrued but unrealized capital gains, straight-line depreciation on real estate in excess of economic depreciation, most employee fringe benefits, and other items mentioned above, under "Omitted Income and Accelerated Deductions."

### Four Income Measures

Current law requires high-income tax return data to be selected and classified on the basis of two different definitions of income: expanded income and adjusted gross income. For comparability with data for earlier years, this Section also includes a limited amount of data using two other, previously required, income definitions. Each of the two additional income measures embodies only one of the two major differences between expanded income and AGI. "Adjusted gross income plus excluded tax preferences" is AGI plus the amount of tax preference income excluded from AGI. "Adjusted gross income less investment interest" is AGI less the amount of investment interest to the extent that it does not exceed investment income.

When ranked according to size of income, AGI plus excluded tax preferences is largest, AGI less investment interest is smallest, and AGI and expanded income fall in the middle. For any given taxpayer, AGI can be larger or smaller than expanded income depending on whether pref-

erences are larger or smaller than investment interest.

The four income concepts are related in the following manner [A10]:

### Expanded income

$$= \text{Adjusted gross income} + \text{preferences} \\ - \text{investment interest}$$

### Adjusted gross income

$$= \text{Expanded income} - \text{preferences} \\ + \text{investment interest}$$

### Adjusted gross income plus excluded tax preferences

$$= \text{Adjusted gross income} + \text{preferences} \\ \text{or} = \text{Expanded income} + \text{investment interest}$$

### Adjusted gross income less investment interest

$$= \text{Adjusted gross income} - \text{investment} \\ \text{interest} \\ \text{or} = \text{Expanded income} - \text{preferences}$$

Expanded income is the measure which most closely approximates economic income.

### NOTES TO APPENDIX A

[A1] This is the Haig-Simons definition of income.

[A2] For Tax Year 1986, the Internal Revenue Code defined adjusted gross income as all gross income not specifically excluded or reduced by statutory adjustments. Among the exclusions were trade or business deductions (including some deductions by employees) and depreciation deductions allowable for tax purposes, the deduction for 60 percent of net long-term capital gains, limited deductions for losses from the sale or exchange of property, deductions attributable to rents and royalty income, the moving expenses adjustment, and deductions for contributions to individual retirement arrangements (IRA's) and self-employed retirement (Keogh) plans.

[A3] Gross income includes only income that has been "realized." Thus, for Federal income tax purposes, accrued increases or decreases in the value of assets are generally not included in income until any gain or loss is realized by a sale or exchange. In addition, gross income does not include the value of the services received from the use of durable goods, such as imputed net rent from owner-occupied homes or from consumer durables. Finally, gross income and, hence, adjusted gross income, do not include interest on



most types of State and local Government debt, most social security benefits, workers' compensation benefits, and most types of welfare benefits.

[A4] There have been attempts to create micro-data files that include approximations of economic income. Tax return data files have been "statistically merged", i.e., merged with information for persons having similar characteristics, with other files such as the Current Population Survey (CPS) of the Bureau of the Census. After the merge, certain additional data items that were not on either file have been "imputed" to each record of the merged file. Although such statistically merged files have proven useful for many purposes, they have only limited use--and must be used with great caution--for high-income individuals and families, each of which is likely to have more nearly unique financial and income characteristics that are not likely to be duplicated accurately through imputations or statistical merges.

[A5] The tax preferences excluded from adjusted gross income, as tabulated in Tables 5 and 6, included the following items: the dividend exclusion; the excluded portion of long-term capital gains; the excess of accelerated depreciation over straight-line depreciation on certain real property and property subject to a lease; the excess of rapid amortization allowable on certain capital expenditures (such as pollution control facilities) over depreciation otherwise allowable; the excess of percentage depletion over the "adjusted basis" of the property; unrealized gain on the exercise of stock options; and certain intangible drilling costs to the extent that they exceeded the otherwise allowable amortization deductions. Any preferences from itemized deductions did not represent omitted income; hence, they were not counted as preference items in calculating a broader measure of income.

[A6] Omission of social security benefits and certain other items is relatively unimportant for high-income taxpayers.

[A7] In addition, income deferrals and accelerated expense deductions may also be involved in income or losses from rental property, from royalties, from partnerships, and from certain small business corporations, only the net amounts of which are included in adjusted gross income.

[A8] For the sake of brevity, "investment interest to the extent that it does not

exceed investment income" is called "investment interest." "Investment interest in excess of investment income" is called "excess investment interest."

[A9] See footnote [A5].

[A10] The borderline between excess and non-excess investment interest depends on the income items actually included under each income concept. Hence, the size of the investment interest adjustment differs depending on which income concept is used.

## APPENDIX B

### MEASUREMENT OF TAXES

This Appendix discusses the proper measurement of income tax burdens. Two different treatments of the foreign tax credit are explained: as a tax on income; or as an item of tax preference. The concept of an implicit tax on tax preference income is discussed. The Appendix includes an outline of the methodology used in the tabulations of 1986 tax return data to equate the importance of tax credits with exclusions and deductions from the income base subject to tax. Finally, certain limitations in the underlying tax return data are summarized.

#### Foreign Tax Credits: Worldwide Taxes on Worldwide Income

Just as income must be measured properly, so must income taxes.

U.S. income taxes are based on worldwide income. Thus, U.S. citizens and residents generally must include income on their U.S. income tax returns regardless of whether it has been generated in the United States or in a foreign country. However, when a taxpayer has foreign source income, the U.S. income tax computed on global income may often be reduced dollar-for-dollar by the amount of foreign income tax that has been paid on that foreign income. These offsets for foreign income taxes are called "foreign tax credits" [B1].

Statistics of Income (SOI) data collected as a by-product of tax administration include global income as reported on U.S. income tax returns. The SOI data, however, usually include as taxes only U.S. income taxes net of the foreign tax credits that represent offsets for foreign income tax payments. Where taxpayers have income from foreign sources, this procedure understates their worldwide tax liabilities and their effective tax rates. Since worldwide income is reported on U.S. tax returns, a more accurate measure of the tax burden imposed on that income would be obtained if all income taxes--U.S. as well as foreign--were considered. Analysis indicates that a substantial portion of the so-called non-taxable, high-income tax returns report that



large shares of their income are from non-U.S. sources and that substantial amounts of foreign income taxes have been paid on that income. Thus, it does not seem appropriate to classify such taxpayers as nontaxable or to classify their foreign tax credits as special tax benefits.

In order to present a more realistic picture of the number of nontaxable, high-income tax returns and the reasons they are nontaxable, several tables in this Section have been prepared by redefining income tax liability to consist of the total amount of U.S. income taxes (income taxes after credits plus the alternative minimum tax) plus the amount of foreign tax credits. Because information on foreign tax liabilities is not readily available in tabulations from U.S. income tax returns, foreign tax credits as shown on U.S. income tax returns are used as a proxy for foreign tax liabilities. Where foreign tax rates exceed U.S. rates, and in certain other instances, foreign tax credits actually will be less than foreign tax liabilities. In such cases, using foreign tax credits as a proxy for foreign taxes understates global income tax liability. In cases in which foreign tax credits are for taxes paid on income from earlier years, use of foreign tax credits may either overstate or understate global taxes on the current year's income.

The tables redefining tax liability to include the foreign tax credit attempt to present an approximation of the true worldwide income tax burden on worldwide income. For the vast majority of taxpayers--with high incomes or otherwise--this adjustment is irrelevant, for they have little or no foreign-source income. However, for the small proportion of taxpayers with substantial foreign income, this adjustment is important. The policy implications of a person with a very large amount of income not paying U.S. income tax certainly would be different if U.S. nontaxability were the result of the person's living and working abroad and paying substantial amounts of foreign taxes than if all income were from U.S. sources and the person paid no income tax either to the U.S. Government or to any other government.

In order to be consistent with other SOI tabulations, all tables showing nontaxability or the amount of taxability on the basis of worldwide tax liability have been duplicated by other tables with tax liability defined in the more traditional way used for tax administration purposes: U.S. income tax liability after subtracting the value of any foreign tax credits. Tables 1, 3, 5, 7, 9, and 11 contain data with foreign tax credits treated as items which reduce U.S. income tax liabilities. Tables 2, 4, 6, 8, 10, and 12 include foreign tax credits as part of the individual's income tax liability.

### Implicit Tax

Income from certain tax-preferred sources is either not subject to any Federal individual income tax or benefits from reduced tax rates or the deferral of taxation, or both. To the extent that the income from such sources has been reduced because of the existence of tax preferences, the stated tax on such income understates the amount of tax effectively paid by the recipient of that income. In addition to any income tax actually paid, there is an "implicit tax" equal to the amount by which the income from that source has been reduced because of the tax preferences. Thus, the benefit to the recipient of tax-preferred income is less than the stated tax preference to the extent that the gross income from that source already anticipates the tax preference. As a result, an individual may be indifferent between a lower-yield, nontaxable income source and a higher-yield taxable source.

Tax-exempt income from State and local Government bonds provides the clearest example of an "implicit tax." Because of the tax exemption, the interest rate on tax-exempt bonds is generally lower than the interest rate on taxable bonds with equivalent risk and maturity. The yields between tax-exempt and taxable bonds generally differ by an amount such that the yield on the tax-exempt bonds will be about the same or slightly more than the after-tax yield on an equivalent taxable bond. In reality, the holders of tax-exempt bonds are paying an "implicit tax" which is equal to the spread between the interest rates on the tax-free bond and the equivalent taxable bond multiplied by the face value of the bonds.

The main difference between implicit tax and ordinary Federal income tax is the recipient of the tax revenue. The general fund of the Federal Government receives the ordinary Federal income tax revenue whereas the implicit tax revenue is usually divided between the payer and the recipient of the tax-preferred income. The government entity issuing a tax-exempt bond receives part of the implicit tax in the form of reduced rates on interest paid on those bonds. For other assets producing tax-preferred income, some of the implicit tax is received by the seller of the asset in the form of a higher price reflecting the capitalized value of some of the stream of tax benefits.

No attempts have been made in this Section to measure implicit taxes. Accordingly, taxes paid and tax rates have not been adjusted to reflect implicit taxes on tax preference income.

### Adjusting Income for Implicit Tax

It should also be noted that compared with income from other sources, the gross income

from tax-preferred sources is understated by the amount by which that income has been reduced by the portion of the above-mentioned "implicit tax" which benefits the recipient of the income. In theory, when measuring income, it would be appropriate to "gross up" the amount of tax-preferred income received by the portion of the implicit tax on that income which has actually benefitted the recipient of the income. Since no attempt has been made to measure implicit taxes for this Section, incomes have not been increased to reflect the value of implicit taxes.

#### Comparing Exclusions, Deductions, Tax Credits, and Special Tax Computations

In order to compare the importance of various exclusions, deductions, tax credits, and special tax computations (such as the alternative minimum tax on tax preferences and the income averaging tax computation), the different types of items must be put on the same basis. One way of doing so is to calculate the size of the deduction that would reduce (or increase) income tax by the same amount as a tax credit. This amount is called the "deduction equivalent" of the tax credit.

The deduction equivalent of a tax credit or a special tax computation is the difference between the taxable income that, using ordinary tax rate schedules, would yield the actual tax before the provision in question is considered and the actual tax after the provision. For example, the "deduction equivalent of all tax credits" is equal to the difference between "taxable income which would yield tax before credits" and "taxable income which would yield tax after credits."

Using this method of equating the value of deductions, exclusions, credits, and special tax computations, the order in which the various credits and special tax computations are calculated affects the value of their deduction equivalents. Because the tax rate schedules are progressive with successive increments to income taxed at successively higher tax rates, the deduction equivalent of the credit converted last to a deduction equivalent will be larger (for the same amount of a credit) than the item converted first.

The deduction equivalents of tax credits shown in the accompanying tables were computed by assuming that deductions and exclusions reduced taxes before tax credits. As a result, the deduction equivalent of tax credits is biased upwards.

#### Share of Income Subject to Tax

The total impact of various deductions, exclusions, tax credits, and special tax computations can be measured only if the aggregate value of all of, or groups of, these items in reducing, or increasing, income taxes is put on a compar-

able basis. Two often-used measures of the value of deductions and exclusions are (1) the share of income that has been excluded from tax and (2) the share of income that remains subject to tax. The latter measure can also include the impact of tax credits and special tax computations if the deduction equivalent of these items is added to taxable income defined in the ordinary manner. Doing so yields what the tables accompanying this Section call "taxable income which would yield income tax before credits," "taxable income which would yield income tax after credits," and "taxable income which would yield total income tax." These measures could be computed directly from taxable income and from the deduction equivalents of the appropriate items. However, these measures have been computed by using the tax rate schedules to calculate the amounts of taxable income that would have been necessary (when subject to tax under the appropriate, ordinary tax rate schedule) to yield the given amounts of tax.

#### Unaudited Data

Tax return data used in the Statistics of Income program have been tabulated as they have been reported on tax returns filed with the Internal Revenue Service. Certain, obvious arithmetic errors have been corrected, and certain adjustments have been made to achieve consistent statistical definitions. Otherwise, the data have not been altered. In particular, the data do not reflect any changes that may have been made or that are likely to be made in the future as a result of IRS audits. While this is true of data throughout the entire SOI program, it is of particular relevance for high-income tax returns. Because of the greater complexity of these returns, there is a higher probability of error and more scope for disagreement about the proper interpretation of tax laws.

The fact that the data have been drawn from unaudited returns is of even greater importance for those high-income returns that are nontaxable. Almost any audit changes would make such returns taxable. Even where the tax consequences were minor, such returns would be reclassified from nontaxable to taxable, thereby changing the counts of nontaxable returns.

#### NOTE TO APPENDIX B

[B1] Certain amounts of income earned abroad are excluded from adjusted gross income by statute. Any foreign taxes paid on such income are not creditable against U.S. income taxes. The tables in this Section do not reflect either the amounts of such excluded income or the foreign tax payments on it.



**Table 1—Returns With and Without Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts<sup>1</sup>**

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>All Returns</b>					
Total .....	103,045,170	93,580,613	7,974,601	1,115,593	374,363
<b>Size of expended income</b>					
Under \$50,000 .....	93,182,451	93,005,777	175,900	602	172
\$50,000 under \$100,000 .....	8,023,050	548,385	7,451,743	22,758	164
\$100,000 under \$200,000 .....	1,310,209	22,856	339,411	942,523	5,419
\$200,000 or more .....	529,460	3,595	7,547	149,710	368,608
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000 .....	92,919,217	92,919,217	—	—	—
\$50,000 under \$100,000 .....	8,223,483	632,794	7,590,689	—	—
\$100,000 under \$200,000 .....	1,355,663	24,863	375,611	955,189	—
\$200,000 or more .....	546,807	3,739	8,301	160,404	374,363
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000 .....	93,837,743	93,580,613	254,623	2,074	433
\$50,000 under \$100,000 .....	7,774,438	—	7,719,978	54,012	448
\$100,000 under \$200,000 .....	1,076,057	—	—	1,059,507	16,550
\$200,000 or more .....	356,932	—	—	—	356,932
<b>Returns With Total Income Tax</b>					
Total .....	85,371,092	75,926,178	7,958,047	1,113,163	373,704
<b>Size of expended income</b>					
Under \$50,000 .....	75,530,045	75,358,944	170,629	*448	*24
\$50,000 under \$100,000 .....	8,004,180	541,326	7,440,730	21,991	133
\$100,000 under \$200,000 .....	1,308,002	22,500	339,141	941,030	5,331
\$200,000 or more .....	528,865	3,408	7,547	149,694	368,216
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000 .....	75,273,957	75,273,957	—	—	—
\$50,000 under \$100,000 .....	8,199,321	624,418	7,574,903	—	—
\$100,000 under \$200,000 .....	1,352,094	24,256	374,915	952,923	—
\$200,000 or more .....	545,720	3,547	8,229	160,240	373,704
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000 .....	76,176,780	75,926,178	248,665	1,685	252
\$50,000 under \$100,000 .....	7,763,169	—	7,709,382	53,362	425
\$100,000 under \$200,000 .....	1,074,571	—	—	1,058,116	16,455
\$200,000 or more .....	356,572	—	—	—	356,572
<b>Returns Without Total Income Tax</b>					
Total .....	17,674,078	17,654,435	16,554	2,430	659
<b>Size of expended income</b>					
Under \$50,000 .....	17,652,406	17,646,833	5,271	154	148
\$50,000 under \$100,000 .....	18,870	7,059	11,013	767	31
\$100,000 under \$200,000 .....	2,207	356	*270	1,493	88
\$200,000 or more .....	595	187	—	*16	392
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000 .....	17,645,260	17,645,260	—	—	—
\$50,000 under \$100,000 .....	24,162	8,376	15,786	—	—
\$100,000 under \$200,000 .....	3,569	607	696	2,266	—
\$200,000 or more .....	1,087	192	*72	164	659
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000 .....	17,660,963	17,654,435	5,958	389	181
\$50,000 under \$100,000 .....	11,269	—	10,596	650	23
\$100,000 under \$200,000 .....	1,486	—	—	1,391	95
\$200,000 or more .....	360	—	—	—	360

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

<sup>1</sup> Returns with total income tax includes returns with income tax which is totally offset by the earned income credit.



**Table 2—Returns With and Without Modified Total Income Tax: Number of Returns Classified by Size of Income Under Alternative Concepts<sup>1</sup>**

(All figures are estimates based on samples)

Size of income under alternative concepts	Size of adjusted gross income				
	Total	Under \$50,000	\$50,000 under \$100,000	\$100,000 under \$200,000	\$200,000 or more
	(1)	(2)	(3)	(4)	(5)
<b>All Returns</b>					
Total	103,045,170	93,580,613	7,974,601	1,115,593	374,363
<b>Size of expanded income</b>					
Under \$50,000	93,182,451	93,005,777	175,900	602	172
\$50,000 under \$100,000	8,023,050	548,385	7,451,743	22,758	164
\$100,000 under \$200,000	1,310,209	22,856	339,411	942,523	5,419
\$200,000 or more	529,460	3,595	7,547	149,710	368,608
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	92,919,217	92,919,217	—	—	—
\$50,000 under \$100,000	8,223,483	632,794	7,590,689	—	—
\$100,000 under \$200,000	1,355,663	24,863	375,611	955,189	—
\$200,000 or more	546,807	3,739	8,301	160,404	374,363
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	93,837,743	93,580,613	254,623	2,074	433
\$50,000 under \$100,000	7,774,438	—	7,719,978	54,012	448
\$100,000 under \$200,000	1,076,057	—	—	1,059,507	16,550
\$200,000 or more	356,932	—	—	—	356,932
<b>Returns With Modified Total Income Tax</b>					
Total	85,387,156	75,942,019	7,958,047	1,113,164	373,926
<b>Size of expanded income</b>					
Under \$50,000	75,545,886	75,374,785	170,629	*448	*24
\$50,000 under \$100,000	8,004,180	541,326	7,440,730	21,991	133
\$100,000 under \$200,000	1,308,009	22,500	339,141	941,031	5,337
\$200,000 or more	529,081	3,408	7,547	149,694	368,432
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	75,289,798	75,289,798	—	—	—
\$50,000 under \$100,000	8,199,321	624,418	7,574,903	—	—
\$100,000 under \$200,000	1,352,095	24,256	374,915	952,924	—
\$200,000 or more	545,942	3,547	8,229	160,240	373,926
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	76,192,621	75,942,019	248,665	1,685	252
\$50,000 under \$100,000	7,763,169	—	7,709,382	53,362	425
\$100,000 under \$200,000	1,074,584	—	—	1,058,117	16,467
\$200,000 or more	356,782	—	—	—	356,782
<b>Returns Without Modified Total Income Tax</b>					
Total	17,658,014	17,638,594	16,554	2,429	437
<b>Size of expanded income</b>					
Under \$50,000	17,636,565	17,630,992	5,271	154	148
\$50,000 under \$100,000	18,870	7,059	11,013	767	31
\$100,000 under \$200,000	2,200	356	*270	1,492	82
\$200,000 or more	379	187	—	*16	176
<b>Size of adjusted gross income plus excluded tax preferences</b>					
Under \$50,000	17,629,419	17,629,419	—	—	—
\$50,000 under \$100,000	24,162	8,376	15,786	—	—
\$100,000 under \$200,000	3,568	607	696	2,265	—
\$200,000 or more	865	192	*72	164	437
<b>Size of adjusted gross income less investment interest</b>					
Under \$50,000	17,645,122	17,638,594	5,958	389	181
\$50,000 under \$100,000	11,269	—	10,596	650	23
\$100,000 under \$200,000	1,473	—	—	1,390	83
\$200,000 or more	150	—	—	—	150

<sup>\*</sup> Estimate should be used with caution because of the small number of sample returns on which it is based.<sup>1</sup> Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit.

**Table 3—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income**

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b> .....	<b>374,363</b>	<b>100.0</b>	<b>—</b>	<b>529,460</b>	<b>100.0</b>	<b>—</b>	<b>546,807</b>	<b>100.0</b>	<b>—</b>	<b>356,932</b>	<b>100.0</b>	<b>—</b>
Returns without total income tax .....	659	0.2	—	595	0.1	—	1,087	0.2	—	360	0.1	—
Returns with total income tax .....												
<b>Total</b> .....	<b>373,704</b>	<b>99.8</b>	<b>100.0</b>	<b>528,865</b>	<b>99.9</b>	<b>100.0</b>	<b>545,720</b>	<b>99.8</b>	<b>100.0</b>	<b>356,572</b>	<b>99.9</b>	<b>100.0</b>
Ratio of taxable income to alternative income .....												
Under 5 percent .....	89	( )	( )	126	( )	( )	177	( )	( )	47	( )	( )
5 under 10 percent .....	187	0.1	0.1	224	( )	0.1	302	0.1	0.1	138	( )	0.1
10 under 15 percent .....	197	0.1	0.1	254	( )	0.1	546	0.1	0.2	47	( )	0.1
15 under 20 percent .....	585	0.2	0.3	751	0.1	0.3	1,486	0.3	0.5	168	( )	0.1
20 under 25 percent .....	889	0.2	0.5	705	0.1	0.4	2,115	0.4	0.8	334	0.1	0.2
25 under 30 percent .....	1,355	0.4	0.9	2,427	0.5	0.8	5,097	0.9	1.8	551	0.2	0.4
30 under 35 percent .....	1,425	0.4	1.3	6,048	1.1	2.0	9,304	1.7	3.5	762	0.2	0.6
35 under 40 percent .....	10,460	2.8	4.1	32,715	6.2	8.2	42,454	7.8	11.3	9,731	2.7	3.3
40 under 45 percent .....	3,795	1.0	5.1	81,575	15.4	23.6	94,660	17.3	28.6	2,362	0.7	4.0
45 under 50 percent .....	6,035	1.6	6.7	101,383	19.2	42.8	86,779	15.9	44.5	4,326	1.2	5.2
50 under 60 percent .....	17,857	4.8	11.5	65,380	12.4	55.1	67,510	12.4	56.9	12,219	3.4	8.6
60 under 70 percent .....	41,292	11.0	22.5	64,438	12.2	67.3	67,686	12.4	69.3	32,906	9.2	17.8
70 under 80 percent .....	74,611	20.0	42.5	75,454	14.3	81.6	76,614	14.0	83.3	64,786	18.2	36.0
80 percent or more .....	214,927	57.5	100.0	97,385	18.4	100.0	90,990	16.7	100.0	228,195	64.0	100.0

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

( ) Less than 0.05 percent.

NOTE: Detail may not add to total because of rounding.

**Table 4—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Distribution of Returns by Ratio of Taxable Income to Specified Alternative Income**

(All figures are estimates based on samples)

Specified item	Adjusted gross income			Expanded income			Adjusted gross income plus excluded tax preferences			Adjusted gross income less investment interest		
	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total	Number of returns	Percent of total	Cumulative percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Total</b> .....	<b>374,363</b>	<b>100.0</b>	<b>—</b>	<b>529,460</b>	<b>100.0</b>	<b>—</b>	<b>546,807</b>	<b>100.0</b>	<b>—</b>	<b>356,932</b>	<b>100.0</b>	<b>—</b>
Returns without modified total income tax .....	437	0.1	—	379	0.1	—	865	0.2	—	150	( )	—
Returns with modified total income tax .....												
<b>Total</b> .....	<b>373,926</b>	<b>99.9</b>	<b>100.0</b>	<b>529,081</b>	<b>99.9</b>	<b>100.0</b>	<b>545,942</b>	<b>99.8</b>	<b>100.0</b>	<b>356,782</b>	<b>100.0</b>	<b>100.0</b>
Ratio of taxable income to alternative income .....												
Under 5 percent .....	82	( )	( )	116	( )	( )	169	( )	( )	39	( )	( )
5 under 10 percent .....	182	( )	0.1	219	( )	0.1	297	0.1	0.1	132	( )	( )
10 under 15 percent .....	194	0.1	0.1	247	( )	0.1	541	0.1	0.2	43	( )	0.1
15 under 20 percent .....	579	0.2	0.3	747	0.1	0.3	1,483	0.3	0.5	163	( )	0.1
20 under 25 percent .....	885	0.2	0.5	703	0.1	0.4	2,110	0.4	0.8	330	0.1	0.2
25 under 30 percent .....	1,350	0.4	0.9	2,424	0.5	0.8	5,089	0.9	1.8	544	0.2	0.4
30 under 35 percent .....	1,419	0.4	1.3	6,022	1.1	2.0	9,289	1.7	3.5	760	0.2	0.6
35 under 40 percent .....	10,456	2.8	4.1	32,697	6.2	8.2	42,427	7.8	11.2	9,722	2.7	3.3
40 under 45 percent .....	3,791	1.0	5.1	81,576	15.4	23.6	94,677	17.3	28.6	2,362	0.7	4.0
45 under 50 percent .....	6,028	1.6	6.7	101,410	19.2	42.7	86,798	15.9	44.5	4,314	1.2	5.2
50 under 60 percent .....	17,857	4.8	11.5	65,396	12.4	55.1	67,534	12.4	56.9	12,213	3.4	8.6
60 under 70 percent .....	41,272	11.0	22.5	64,446	12.2	67.3	67,687	12.4	69.3	32,873	9.2	17.8
70 under 80 percent .....	74,636	20.0	42.4	71,994	13.6	80.9	73,164	13.4	82.7	64,809	18.2	36.0
80 percent or more .....	215,195	57.6	100.0	101,084	19.1	100.0	94,677	17.3	100.0	228,478	64.0	100.0

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

( ) Less than 0.05 percent.

NOTE: Detail may not add to total because of rounding.

**Table 5—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	285,309	67,764,877	284,819	67,647,913	490	116,964	382,291	74,734,249	381,834	74,627,929	457	106,320
Business or profession.												
Net income	76,320	7,301,103	76,197	7,285,834	123	15,269	109,389	8,254,526	109,309	8,241,543	80	12,983
Net loss	37,139	1,582,176	37,007	1,559,552	132	22,625	53,422	2,125,244	53,307	2,096,608	115	28,636
Farm.												
Net income	5,358	361,646	5,350	361,480	8	166	7,792	382,716	7,787	382,709	5	7
Net loss	25,743	1,210,981	25,676	1,200,088	67	10,893	31,434	1,498,713	31,376	1,482,741	58	15,971
Partnership net income excluding Section 179 property deduction.												
Total net income	191,695	15,332,885	191,363	15,257,460	332	75,426	259,434	16,894,505	259,172	16,806,915	262	87,590
Total net loss	228,092	16,067,482	227,691	15,965,608	401	101,874	300,320	20,638,252	300,000	20,413,778	320	224,474
Small Business Corporation net income excluding Section 179 property deduction.												
Total net income	60,000	12,128,347	59,900	12,111,056	100	17,292	69,583	12,503,679	69,506	12,490,658	77	13,021
Total net loss	41,611	2,658,103	41,430	2,615,276	181	42,827	56,853	3,542,512	56,644	3,488,308	209	54,204
Partnership and S Corporation net income after Section 179 property deduction.												
Net income	116,871	20,380,331	116,706	20,332,976	165	47,355	157,601	21,207,205	157,498	21,163,449	103	43,756
Net loss	164,461	11,719,128	164,143	11,619,644	318	99,484	219,479	16,077,353	219,147	15,855,422	332	221,930
Sales of capital assets.												
Net gain	303,789	70,863,931	303,439	70,795,752	350	68,179	458,667	85,146,504	458,273	84,953,239	394	193,265
Net loss	30,066	66,573	30,009	66,429	57	145	29,908	65,843	29,860	65,722	48	122
Sales of property other than capital assets.												
Net gain	47,308	753,484	47,225	748,264	83	5,220	64,687	994,378	64,611	982,863	76	11,515
Net loss	28,767	332,545	28,685	326,437	82	6,108	36,745	444,585	36,691	442,282	54	2,303
Interest received	368,875	14,724,726	368,254	14,551,412	621	173,314	522,022	17,291,703	521,474	17,218,692	548	73,011
Dividends in adjusted gross income	304,145	17,570,444	303,673	17,478,605	472	91,839	429,888	19,284,000	429,515	19,233,375	373	50,625
Pensions and annuities in adjusted gross income	54,417	1,297,868	54,329	1,291,580	88	6,288	96,042	1,837,687	95,984	1,835,567	58	2,119
Rent.												
Net income	73,835	3,092,209	73,701	3,076,851	134	15,357	102,366	3,526,906	102,251	3,510,759	115	16,148
Net loss	112,305	3,493,711	112,050	3,474,836	255	18,875	153,068	4,423,656	152,807	4,401,548	261	22,107
Royalty												
Net income	30,487	2,531,238	30,405	2,525,146	82	6,092	37,349	2,650,811	37,289	2,644,889	60	5,921
Net loss	2,603	37,044	2,594	36,504	9	541	3,925	50,439	3,918	48,655	7	1,785
Estate or trust												
Net income	58,758	1,720,028	58,690	1,710,846	68	9,182	77,110	1,952,772	77,070	1,947,322	40	5,450
Net loss	5,682	174,691	5,665	171,727	17	2,964	8,049	220,512	8,038	218,730	11	1,782
State income tax refunds	173,704	948,269	173,546	946,148	158	2,121	239,320	1,056,896	239,202	1,054,370	118	2,525
Windfall profit tax refunds	16,107	39,410	16,091	39,359	16	50	18,374	40,502	18,366	40,496	8	6
Windfall profit tax withheld	37,765	27,339	37,701	27,298	64	41	46,901	30,542	46,859	30,527	42	14
Alimony received	779	36,994	†	†	†	†	1,079	39,742	1,070	37,341	*9	*2,401
Social security benefits in adjusted gross income	60,875	364,899	60,808	364,530	67	370	108,908	610,473	108,875	610,276	33	197
Unemployment compensation in adjusted gross income	2,236	5,706	2,231	5,693	5	12	4,582	11,741	4,579	11,734	3	8
Other income	79,408	1,803,013	79,263	1,786,252	145	16,762	102,759	1,967,926	102,629	1,955,329	130	12,597
Other loss	11,703	1,055,352	11,565	1,030,629	138	24,723	17,157	1,977,156	16,929	1,859,895	228	117,260
Total income	374,363	191,955,175	373,704	191,567,092	659	388,083	529,459	214,185,950	528,864	214,059,010	595	126,939
Total statutory adjustments	274,270	2,879,023	273,955	2,874,819	315	4,204	371,558	3,476,015	371,303	3,473,095	255	2,919
Employee business expense	49,542	439,920	49,479	438,493	63	1,427	65,263	507,551	65,221	506,752	42	799
Payments to IRA	240,625	740,438	240,457	739,987	168	452	329,867	997,020	329,744	996,686	123	333
Payments to a Keogh plan	38,400	948,562	38,384	948,194	16	367	47,324	1,095,601	47,316	1,095,453	8	148
Expanded income	374,362	286,748,275	373,704	286,509,060	658	239,215	529,460	329,768,377	528,865	329,411,581	595	356,797
Investment interest per adjusted gross income concept	280,633	6,039,643	280,096	5,828,531	537	211,112	390,204	6,410,103	389,866	6,377,707	338	32,396
Investment interest per alternative income concept	280,633	6,039,643	280,096	5,828,531	537	211,112	390,456	6,621,792	390,117	6,587,438	339	34,354
Tax preferences excluded from adjusted gross income:												
Total	349,630	103,944,930	349,088	103,871,129	542	73,802	504,979	125,680,234	504,478	125,413,103	501	267,131
Excluded long-term capital gains	289,667	99,777,409	289,345	99,708,357	322	69,052	444,659	120,652,885	444,282	120,395,183	377	257,702
Dividend exclusion	296,761	50,288	296,338	50,216	423	72	418,462	70,584	418,140	70,530	322	54
Alternative Minimum Tax preferences excluded from AGI	191,281	4,117,233	191,001	4,112,556	280	4,677	251,320	4,956,765	251,082	4,947,391	238	9,374
Adjusted gross income	374,363	189,076,152	373,704	188,692,273	659	383,879	529,459	210,709,935	528,864	210,585,915	595	124,020

Footnote(s) at end of table



**Table 5—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with total income tax		Returns without total income tax		Total		Returns with total income tax		Returns without total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount	374,363	1,325,622	373,704	1,323,166	659	2,456	529,460	1,832,601	528,865	1,830,449	595	2,152
Itemized deductions:												
Total per adjusted gross income concept	366,543	41,284,500	365,960	40,922,832	583	361,668	509,658	45,253,798	509,266	45,116,603	392	137,195
Total per expanded income concept	366,543	41,284,500	365,960	40,922,832	583	361,668	509,657	38,632,006	509,265	38,529,165	392	102,841
Contributions deduction	357,831	12,869,807	357,320	12,846,615	511	23,193	496,562	13,774,720	496,237	13,758,827	325	15,893
Interest paid deduction:												
Total per adjusted gross income concept	309,699	10,844,811	309,132	10,558,983	567	285,828	429,264	11,770,328	428,888	11,687,260	376	83,067
Total per expanded income concept	309,699	10,844,811	309,132	10,558,983	567	285,828	324,917	5,148,536	324,608	5,099,823	309	48,713
Total home mortgage interest	237,244	3,436,777	236,854	3,410,944	390	25,833	320,434	4,062,061	320,159	4,043,503	275	18,557
Investment interest exceeding investment income per adjusted gross income concept	61,565	1,368,390	61,301	1,319,508	264	48,883	60,533	1,298,164	60,396	1,266,050	137	32,114
Investment interest exceeding investment income per alternative income concept	61,565	1,368,390	61,301	1,319,508	264	48,883	53,363	1,086,475	53,234	1,056,319	129	30,156
Medical and dental expense deduction	8,733	243,848	8,705	240,913	28	2,935	17,115	348,300	17,090	345,555	25	2,744
Net casualty or theft loss deduction	463	36,130	437	22,355	26	13,775	1,204	49,141	1,185	36,450	19	12,691
Taxes paid deduction	366,307	14,379,254	365,752	14,360,589	555	18,665	508,913	16,046,277	508,555	16,034,634	358	11,643
Miscellaneous deductions	317,879	2,910,650	317,430	2,893,377	449	17,273	444,441	3,265,032	444,137	3,253,876	304	11,156
Excess itemized deductions	366,420	39,460,798	365,837	39,101,251	583	359,547	508,813	42,940,799	508,421	42,805,059	392	135,741
Zero bracket amount (statutory)	374,363	1,295,284	373,704	1,293,026	659	2,258	529,460	1,823,517	528,865	1,821,473	595	2,044
Excess of exemptions and deductions over adjusted gross income	1,904	341,436	1,475	236,564	429	104,872	7,005	1,217,762	6,638	1,077,220	367	140,542
Taxable income:												
As computed under current law	372,553	148,591,130	372,300	148,465,870	253	125,260	523,099	167,088,516	522,806	166,962,986	293	125,530
As computed under prior law	372,459	147,302,326	372,229	147,177,879	230	124,447	522,455	165,287,912	522,227	165,163,329	228	124,583
Tax at normal rates	372,460	67,305,613	372,229	67,247,120	231	58,493	522,455	73,887,396	522,227	73,828,871	228	58,525
Tax savings	113,729	584,431	113,706	584,309	23	121	180,952	846,754	180,922	846,468	30	287
Income tax before credits	372,487	66,964,043	372,257	66,904,884	230	59,159	522,615	73,392,074	522,386	73,333,037	229	59,038
Tax credits:												
Total	208,114	1,137,270	207,884	1,078,111	230	59,159	259,790	1,190,025	259,561	1,130,987	229	59,038
Personal credits	140,900	18,337	140,862	18,331	38	6	183,847	23,045	183,812	23,041	35	4
Non personal credits	105,258	1,118,933	105,029	1,059,780	229	59,153	120,762	1,166,979	120,533	1,107,946	229	59,034
Foreign tax credit	37,585	263,397	37,363	204,284	222	59,114	37,585	263,257	37,369	204,393	216	58,864
Business credit	57,310	576,677	57,302	576,638	8	39	69,836	606,246	69,823	606,077	*13	*169
Investment credit	53,984	500,608	53,876	499,387	108	1,222	66,995	543,320	66,896	539,983	99	3,337
Alcohol fuel credit	32	55	32	55	—	—	33	56	33	56	—	—
Alternative minimum tax (Form 6251)	72,561	3,336,837	72,561	3,336,837	—	—	158,903	4,808,841	158,903	4,808,841	—	—
Total income tax:												
Taxes paid to the U.S.	373,704	69,163,762	373,704	69,163,762	—	—	528,865	77,012,212	528,865	77,012,212	—	—
Foreign taxes paid	—	—	—	—	—	—	—	—	—	—	—	—
Taxable income which would yield												
Income tax before credits	372,487	147,901,912	372,257	147,775,354	230	126,558	522,615	166,062,680	522,386	165,936,320	229	126,360
Income tax after credits	371,699	145,574,149	371,699	145,574,149	—	—	521,244	163,593,662	521,244	163,593,662	—	—
Total income tax	373,704	152,378,323	373,704	152,378,323	—	—	528,865	173,705,321	528,865	173,705,321	—	—

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

**Table 6—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Salaries and wages	285,309	67,764,877	285,005	67,703,477	304	61,400	382,291	74,734,249	382,015	74,682,775	276	51,474
Business or profession.												
Net income	76,320	7,301,103	76,226	7,290,276	94	10,827	109,389	8,254,526	109,336	8,245,818	53	8,708
Net loss	37,139	1,582,176	37,020	1,560,705	119	21,471	53,422	2,125,244	53,320	2,097,761	102	27,482
Farm												
Net income	5,358	361,646	5,351	361,483	7	163	7,792	382,716	7,788	382,712	4	4
Net loss	25,743	1,210,981	25,691	1,201,203	52	9,779	31,434	1,498,713	31,391	1,483,856	43	14,857
Partnership net income excluding Section 179 property deduction												
Total net income	191,695	15,332,885	191,421	15,283,908	274	48,977	259,434	16,894,505	259,226	16,833,237	208	61,268
Total net loss	228,092	16,067,482	227,781	15,972,561	311	94,921	300,320	20,638,252	300,085	20,420,621	235	217,631
Small Business Corporation net income excluding Section 179 property deduction												
Total net income	60,000	12,128,347	59,906	12,111,551	94	16,796	69,583	12,503,679	69,510	12,490,807	73	12,871
Total net loss	41,611	2,658,103	41,453	2,618,437	158	39,666	56,853	3,542,512	56,665	3,491,420	188	51,092
Partnership and S Corporation net income after Section 179 property deduction.												
Net income	116,871	20,380,331	116,745	20,357,280	126	23,051	157,601	21,207,205	157,533	21,187,426	68	19,779
Net loss	164,461	11,719,128	164,220	11,627,137	241	91,991	219,479	16,077,353	219,222	15,862,899	257	214,454
Sales of capital assets												
Net gain	303,789	70,863,931	303,536	70,824,145	253	39,786	458,667	85,146,504	458,368	84,981,628	299	164,876
Net loss	30,066	66,573	30,054	66,546	12	28	29,908	65,843	29,902	65,830	6	13
Sales of property other than capital assets.												
Net gain	47,308	753,484	47,237	749,039	71	4,445	64,687	994,378	64,623	983,638	64	10,739
Net loss	28,767	332,545	28,700	326,566	67	5,979	36,745	444,585	36,706	442,411	39	2,174
Interest received	368,875	14,724,726	368,452	14,557,967	423	166,759	522,022	17,291,703	521,666	17,224,888	356	66,814
Dividends in adjusted gross income	304,145	17,570,444	303,835	17,507,333	310	63,111	429,888	19,284,000	429,672	19,262,009	216	21,991
Pensions and annuities in adjusted gross income	54,417	1,297,868	54,346	1,292,074	71	5,794	96,042	1,837,687	96,001	1,836,061	41	1,626
Rent												
Net income	73,835	3,092,209	73,732	3,082,316	103	9,893	102,366	3,526,906	102,281	3,516,169	85	10,738
Net loss	112,305	3,493,711	112,149	3,478,122	156	15,590	153,068	4,423,656	152,904	4,404,822	164	18,834
Royalty												
Net income	30,487	2,531,238	30,417	2,526,514	70	4,724	37,349	2,650,811	37,300	2,646,257	49	4,554
Net loss	2,603	37,044	2,596	36,509	7	535	3,925	50,439	3,920	48,660	5	1,779
Estate or trust.												
Net income	58,758	1,720,028	58,699	1,714,934	59	5,094	77,110	1,952,772	77,079	1,951,411	31	1,361
Net loss	5,682	174,691	5,668	172,075	14	2,616	8,049	220,512	8,041	219,078	8	1,434
State income tax refunds	173,704	948,269	173,587	946,327	117	1,943	239,320	1,056,896	239,241	1,054,547	79	2,349
Windfall profit tax refunds	16,107	39,410	16,093	39,360	14	50	18,374	40,502	18,368	40,497	6	5
Windfall profit tax withheld	37,765	27,339	37,711	27,299	54	40	46,901	30,542	46,869	30,528	32	14
Alimony received	779	36,994	†	†	†	†	1,079	39,742	1,071	37,342	*8	*2,400
Social security benefits in adjusted gross income	60,875	364,899	60,818	364,568	57	331	108,908	610,473	108,885	610,314	23	159
Unemployment compensation in adjusted gross income	2,236	5,706	2,233	5,694	3	11	4,582	11,741	4,581	11,734	1	7
Other income	79,408	1,803,013	79,290	1,790,353	118	12,661	102,759	1,967,926	102,656	1,959,430	103	8,496
Other loss	11,703	1,055,352	11,659	1,039,783	44	15,569	17,157	1,977,156	17,021	1,868,824	136	108,332
Total income	374,363	191,955,175	373,926	191,708,790	437	246,385	529,459	214,185,950	529,080	214,199,246	379	-13,296
Total statutory adjustments	274,270	2,879,023	274,069	2,876,041	201	2,982	371,558	3,476,015	371,412	3,474,266	146	1,749
Employee business expense	49,542	439,920	49,497	438,651	45	1,269	65,263	507,551	65,239	506,910	24	641
Payments to an IRA	240,625	740,438	240,529	740,156	96	282	329,867	997,020	329,813	996,846	54	173
Payments to a Keogh plan	38,400	948,562	38,385	948,199	15	362	47,324	1,095,601	47,317	1,095,458	7	143
Expanded income	374,362	286,748,275	373,926	286,682,917	436	65,357	529,460	329,768,377	529,081	329,584,349	379	184,029
Investment interest per adjusted gross income concept	280,633	6,039,643	280,217	5,834,085	416	205,558	390,204	6,410,103	389,981	6,382,936	223	27,167
Investment interest per alternative income concept	280,633	6,039,643	280,217	5,834,085	416	205,558	390,456	6,621,792	390,233	6,592,768	223	29,024
Tax preferences excluded from adjusted gross income												
Total	349,630	103,944,930	349,249	103,910,170	381	34,761	504,979	125,680,234	504,633	125,452,136	346	228,098
Excluded long-term capital gains	289,667	99,777,409	289,430	99,746,448	237	30,962	444,659	120,652,885	444,365	120,433,267	294	219,618
Dividend exclusion	296,761	50,288	296,460	50,236	301	52	418,462	70,584	418,257	70,549	205	35
Alternative Minimum Tax preferences excluded from AGI	191,281	4,117,233	191,074	4,113,486	207	3,748	251,320	4,956,765	251,153	4,948,321	167	8,445
Adjusted gross income	374,363	189,076,152	373,926	188,832,749	437	243,403	529,459	210,709,935	529,080	210,724,980	379	-15,045

Footnote(s) at end of table

**Table 6—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Income, Deductions, Credits and Tax, Classified by Tax Status—Continued**

(All figures are estimates based on samples—money amounts are in thousands of dollars)

Item	Returns with adjusted gross income \$200,000 or more						Returns with expanded income \$200,000 or more					
	Total		Returns with modified total income tax		Returns without modified total income tax		Total		Returns with modified total income tax		Returns without modified total income tax	
	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount	Number of returns	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Exemption amount .....	374,363	1,325,622	373,926	1,323,978	437	1,644	529,460	1,832,601	529,081	1,831,246	379	1,354
Itemized deductions:												
Total per adjusted gross income concept .....	366,543	41,284,500	366,106	40,937,898	437	346,602	509,658	45,253,798	509,406	45,130,930	252	122,868
Total per expanded income concept .....	366,543	41,284,500	366,106	40,937,898	437	346,602	509,657	38,632,006	509,405	38,538,162	252	93,844
Contributions deduction .....	357,831	12,869,807	357,432	12,849,589	399	20,219	496,562	13,774,720	496,345	13,761,796	217	12,924
Interest paid deduction:												
Total per adjusted gross income concept .....	309,699	10,844,811	309,272	10,567,914	427	276,897	429,264	11,770,328	429,022	11,695,580	242	74,748
Total per expanded income concept .....	309,699	10,844,811	309,272	10,567,914	427	276,897	324,917	5,148,536	324,697	5,102,813	220	45,723
Total home mortgage interest .....	237,244	3,436,777	236,935	3,412,691	309	24,086	320,434	4,062,061	320,235	4,045,202	199	16,859
Investment interest exceeding investment income per adjusted gross income concept .....	61,565	1,368,390	61,338	1,321,138	227	47,253	60,533	1,298,164	60,430	1,267,442	103	30,721
Investment interest exceeding investment income per alternative income concept .....	61,565	1,368,390	61,338	1,321,138	227	47,253	53,363	1,086,475	53,265	1,057,611	98	28,864
Medical and dental expense deduction .....	8,733	243,848	8,708	240,954	25	2,894	17,115	348,300	17,093	345,596	22	2,704
Net casualty or theft loss deduction .....	463	36,130	438	22,397	25	13,733	1,204	49,141	1,185	36,450	19	12,691
Taxes paid deduction .....	366,307	14,379,254	365,876	14,362,350	431	16,904	508,913	16,046,277	508,673	16,036,339	240	9,938
Miscellaneous deductions .....	317,879	2,910,650	317,544	2,894,695	335	15,955	444,441	3,265,032	444,246	3,255,169	195	9,863
Excess itemized deductions .....	366,420	39,460,798	365,983	39,115,825	437	344,973	508,813	42,940,799	508,561	42,818,914	252	121,885
Zero bracket amount (statutory) .....	374,363	1,295,284	373,926	1,293,779	437	1,505	529,460	1,823,517	529,081	1,822,205	379	1,312
Excess of exemptions and deductions over adjusted gross income .....	1,904	341,436	1,475	236,564	429	104,872	7,005	1,217,762	6,638	1,077,220	367	140,542
Taxable income:												
As computed under current law .....	372,553	148,591,130	372,522	148,590,915	31	215	523,099	167,088,516	523,022	167,087,354	77	1,162
As computed under prior law .....	372,459	147,302,326	372,451	147,302,173	8	153	522,455	165,287,912	522,443	165,286,966	*12	*946
Tax at normal rates .....	372,460	67,305,613	372,451	67,305,584	9	30	522,455	73,887,396	522,443	73,887,083	*12	*312
Tax savings .....	113,729	584,431	113,729	584,431	—	—	180,952	846,754	180,944	846,589	*8	*166
Income tax before credits .....	372,487	66,964,043	372,479	66,964,013	8	30	522,615	73,392,074	522,602	73,391,915	*13	*159
Tax credits:												
Total .....	172,203	873,873	172,195	873,843	8	30	223,880	926,767	223,867	926,608	*13	*159
Personal credits .....	140,900	18,337	140,896	18,335	4	2	183,847	23,045	183,845	23,045	2	( )
Non personal credits .....	68,722	855,536	68,715	855,508	7	28	84,225	903,722	84,212	903,563	*13	*159
Foreign tax credit .....	—	—	—	—	—	—	—	—	—	—	—	—
Business credits .....	57,310	576,677	57,304	576,650	6	28	69,836	606,246	69,824	606,087	*12	*159
Investment credit .....	53,984	500,608	53,895	499,450	89	1,159	66,995	543,320	66,914	540,040	81	3,280
Alcohol fuel credit .....	32	55	32	55	—	—	33	56	33	56	—	—
Alternative minimum tax (Form 6251) .....	72,561	3,336,837	72,561	3,336,837	—	—	158,903	4,808,841	158,903	4,808,841	—	—
Total income tax:												
Taxes paid to the U.S. ....	373,926	69,427,160	373,926	69,427,160	—	—	529,081	77,275,469	529,081	77,275,469	—	—
Foreign taxes paid .....	37,585	263,397	37,585	263,397	—	—	37,585	263,257	37,585	263,257	—	—
Taxable income which would yield:												
Income tax before credits .....	372,487	147,901,912	372,479	147,901,729	8	183	522,615	166,062,680	522,602	166,062,018	*13	*662
Income tax after credits .....	371,921	146,109,240	371,921	146,109,240	—	—	521,460	164,128,320	521,460	164,128,320	—	—
Total income tax .....	373,926	152,913,414	373,926	152,913,414	—	—	529,081	174,239,979	529,081	174,239,979	—	—

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.



**Table 7—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect**

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Returns With Total Income Tax</b>												
<b>Returns with adjusted gross income \$200,000 or more</b>												
Total .....	373,230	100.0	37,141	10.0	85,718	23.0	34,995	9.4	1,666	0.4	85	( )
Interest paid deduction	51,331	13.8	—	—	27,834	32.5	2,226	6.4	109	6.5	19	22.4
Taxes paid deduction	142,906	38.3	26,830	72.2	—	—	9,424	26.9	732	43.9	61	71.8
Contributions deduction	57,505	15.4	2,783	7.5	21,810	25.4	—	—	269	16.1	—	—
Medical and dental expense deduction	1,684	0.5	†	†	378	0.4	128	0.4	—	—	—	—
Net casualty or theft loss deduction	26	( )	†	†	4	( )	†	†	—	—	—	—
Miscellaneous deduction	20,339	5.4	1,037	2.8	12,752	14.9	722	2.1	157	9.4	—	—
Foreign tax credit	107	( )	4	( )	35	( )	4	( )	—	—	—	—
Business credit	763	0.2	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	3,870	1.0	148	0.4	1,258	1.5	163	0.5	—	—	—	—
All other tax credits	2,727	0.7	198	0.5	245	0.3	86	0.2	—	—	—	—
Capital gains exclusion	52,049	13.9	2,667	7.2	15,920	18.6	20,710	59.2	399	23.9	5	5.9
Partnership and S Corporation net losses	37,414	10.0	3,427	9.2	5,180	6.0	1,501	4.3	—	—	—	—
No second largest item	2,509	0.7	3	( )	169	0.2	†	†	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>												
Total .....	528,389	100.0	36,714	6.9	87,364	16.5	36,016	6.8	1,907	0.4	85	( )
Interest paid deduction	65,073	12.3	—	—	27,764	31.8	2,062	5.7	110	5.8	19	22.4
Taxes paid deduction	220,614	41.8	26,166	71.3	—	—	9,616	26.7	732	38.4	61	71.8
Contributions deduction	72,153	13.7	2,939	8.0	22,148	25.4	—	—	269	14.1	—	—
Medical and dental expense deduction	2,915	0.6	9	( )	378	0.4	128	0.4	—	—	—	—
Net casualty or theft loss deduction	135	( )	1	( )	4	( )	3	( )	—	—	—	—
Miscellaneous deduction	25,406	4.8	1,021	2.8	12,661	14.5	671	1.9	157	8.2	—	—
Foreign tax credit	107	( )	4	( )	35	( )	4	( )	—	—	—	—
Business credit	1,345	0.3	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	4,405	0.8	148	0.4	1,314	1.5	163	0.5	—	—	—	—
All other tax credits	4,171	0.8	198	0.5	295	0.3	94	0.3	—	—	—	—
Capital gains exclusion	59,576	11.3	2,609	7.1	16,978	19.4	21,500	59.7	639	33.5	5	5.9
Partnership and S Corporation net losses	60,015	11.4	3,583	9.8	5,485	6.3	1,747	4.9	—	—	—	—
No second largest item	12,474	2.4	3	( )	169	0.2	3	( )	—	—	—	—
<b>Returns Without Total Income Tax</b>												
<b>Returns with adjusted gross income \$200,000 or more</b>												
Total .....	659	100.0	167	25.3	21	3.2	37	5.6	11	1.7	17	2.6
Interest paid deduction	132	20.0	—	—	8	38.1	15	40.5	†	†	6	35.3
Taxes paid deduction	104	15.8	55	32.9	—	—	10	27.0	4	36.4	†	†
Contributions deduction	73	11.1	26	15.6	†	†	—	—	†	†	—	—
Medical and dental expense deduction	†	†	—	—	†	†	†	†	—	—	—	—
Net casualty or theft loss deduction	6	0.9	†	†	—	—	—	—	—	—	—	—
Miscellaneous deduction	30	4.6	6	3.6	†	†	†	†	†	†	†	†
Foreign tax credit	25	3.8	†	†	—	—	†	†	—	—	—	—
Business credit	†	†	—	—	—	—	—	—	—	—	—	—
Investment credit	11	1.7	6	3.6	†	†	—	—	—	—	—	—
All other tax credits	3	0.5	—	—	—	—	†	†	—	—	—	—
Capital gains exclusion	114	17.3	29	17.4	3	14.3	3	8.1	†	†	6	35.3
Partnership and S Corporation net losses	93	14.1	33	19.8	†	†	4	10.8	—	—	†	†
No second largest item	62	9.4	6	3.6	—	—	—	—	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>												
Total .....	595	100.0	91	15.3	7	1.2	17	2.9	8	1.3	14	2.4
Interest paid deduction	122	20.5	—	—	4	57.1	7	41.2	1	12.5	5	35.7
Taxes paid deduction	55	9.2	28	30.8	—	—	3	17.6	3	37.5	2	14.3
Contributions deduction	36	6.1	16	17.6	—	—	—	—	1	12.5	—	—
Medical and dental expense deduction	2	0.3	—	—	1	14.3	1	5.9	—	—	—	—
Net casualty or theft loss deduction	3	0.5	3	3.3	—	—	—	—	—	—	—	—
Miscellaneous deduction	13	2.2	3	3.3	1	14.3	—	—	1	12.5	1	7.1
Foreign tax credit	25	4.2	2	2.2	—	—	2	11.8	—	—	—	—
Business credit	9	1.5	—	—	—	—	—	—	—	—	—	—
Investment credit	11	1.8	4	4.4	—	—	—	—	—	—	—	—
All other tax credits	2	0.3	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	150	25.2	19	20.9	1	14.3	2	11.8	2	25.0	5	35.7
Partnership and S Corporation net losses	107	18.0	14	15.4	—	—	2	11.8	—	—	1	7.1
No second largest item	60	10.1	2	2.2	—	—	—	—	—	—	—	—

Footnote(s) at end of table

**Table 7—Returns With and Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued**

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued													
	Miscellaneous deductions		Foreign tax credit		Business credit		Investment credit		All other tax credits		Capital gains exclusion		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>Returns With Total Income Tax</b>														
<b>Returns with adjusted gross income \$200,000 or more</b>														
<b>Total</b>	<b>3,130</b>	<b>0.8</b>	<b>3,560</b>	<b>1.0</b>	<b>445</b>	<b>0.1</b>	<b>2,503</b>	<b>0.7</b>	<b>1,558</b>	<b>0.4</b>	<b>163,502</b>	<b>43.8</b>	<b>38,927</b>	<b>10.4</b>
Interest paid deduction	816	26.1	9	0.3	62	13.9	366	14.6	180	11.6	12,480	7.6	7,230	18.6
Taxes paid deduction	1,272	40.6	29	0.8	71	16.0	1,083	43.3	525	33.7	83,098	50.8	19,781	50.8
Contributions deduction	223	7.1	10	0.3	97	21.8	141	5.6	128	8.2	29,519	18.1	2,525	6.5
Medical and dental expense deduction	—	—	—	—	—	—	†	†	—	—	1,116	0.7	51	0.1
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	10	( )	8	( )
Miscellaneous deduction	—	—	†	†	—	—	†	†	51	3.3	5,094	3.1	523	1.3
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	56	( )	8	( )
Business credit	†	†	†	†	—	—	17	0.7	6	0.4	382	0.2	164	0.4
Investment credit	72	2.3	†	†	†	†	—	—	93	6.0	1,429	0.9	667	1.7
All other tax credits	—	—	†	†	—	—	†	†	—	—	1,946	1.2	240	0.6
Capital gains exclusion	344	11.0	3,494	98.1	161	36.2	359	14.3	284	18.2	—	—	7,706	19.8
Partnership and S Corporation net losses	392	12.5	8	0.2	13	2.9	455	18.2	209	13.4	26,229	16.0	—	—
No second largest item	†	†	5	0.1	†	†	69	2.8	82	5.3	2,143	1.3	24	0.1
<b>Returns with expanded income \$200,000 or more</b>														
<b>Total</b>	<b>3,024</b>	<b>0.6</b>	<b>3,562</b>	<b>0.7</b>	<b>498</b>	<b>0.1</b>	<b>2,402</b>	<b>0.5</b>	<b>1,519</b>	<b>0.3</b>	<b>309,589</b>	<b>58.6</b>	<b>45,709</b>	<b>8.7</b>
Interest paid deduction	816	27.0	9	0.3	62	12.4	367	15.3	183	12.0	26,219	8.5	7,462	16.3
Taxes paid deduction	1,272	42.1	29	0.8	71	14.3	1,077	44.8	467	30.7	160,526	51.9	20,597	45.1
Contributions deduction	223	7.4	10	0.3	97	19.5	141	5.9	132	8.7	43,446	14.0	2,748	6.0
Medical and dental expense deduction	—	—	—	—	—	—	1	( )	—	—	2,348	0.8	51	0.1
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	68	( )	59	0.1
Miscellaneous deduction	—	—	—	—	—	—	2	0.1	51	3.4	10,326	3.3	517	1.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	56	( )	8	( )
Business credit	2	0.1	1	( )	—	—	17	0.7	6	0.4	919	0.3	209	0.5
Investment credit	72	2.4	1	( )	39	7.8	—	—	93	6.1	1,927	0.6	648	1.4
All other tax credits	—	—	2	0.1	—	—	10	0.4	—	—	3,326	1.1	246	0.5
Capital gains exclusion	344	11.4	3,496	98.1	214	43.0	370	15.4	286	18.8	—	—	13,135	28.7
Partnership and S Corporation net losses	286	9.5	8	0.2	13	2.6	347	14.4	158	10.4	48,388	15.6	—	—
No second largest item	9	0.3	6	0.2	2	0.4	70	2.9	143	9.4	12,040	3.9	29	0.1
<b>Returns Without Total Income Tax</b>														
<b>Returns with adjusted gross income \$200,000 or more</b>														
<b>Total</b>	<b>27</b>	<b>4.1</b>	<b>185</b>	<b>28.1</b>	<b>†</b>	<b>†</b>	<b>†</b>	<b>†</b>	<b>—</b>	<b>—</b>	<b>51</b>	<b>7.7</b>	<b>140</b>	<b>21.2</b>
Interest paid deduction	12	44.4	35	18.9	†	†	†	†	—	—	9	17.6	43	30.7
Taxes paid deduction	†	†	17	9.2	—	—	—	—	—	—	†	†	9	6.4
Contributions deduction	—	—	9	4.9	—	—	—	—	—	—	10	19.6	24	17.1
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—	†	†	†	†
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—	†	†
Miscellaneous deduction	—	—	6	3.2	—	—	—	—	—	—	†	†	9	6.4
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	12	23.5	9	6.4
Business credit	—	—	†	†	—	—	—	—	—	—	—	—	†	†
Investment credit	—	—	†	†	—	—	—	—	—	—	—	—	†	†
All other tax credits	—	—	†	†	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	†	†	31	16.8	—	—	—	—	—	—	—	—	39	27.9
Partnership and S Corporation net losses	5	18.5	34	18.4	—	—	—	—	—	—	11	21.6	—	—
No second largest item	†	†	49	26.5	—	—	—	—	—	—	†	†	†	†
<b>Returns with expanded income \$200,000 or more</b>														
<b>Total</b>	<b>18</b>	<b>3.0</b>	<b>181</b>	<b>30.4</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>0.2</b>	<b>—</b>	<b>—</b>	<b>139</b>	<b>23.4</b>	<b>119</b>	<b>20.0</b>
Interest paid deduction	9	50.0	34	18.8	—	—	—	—	—	—	52	37.4	10	8.4
Taxes paid deduction	2	11.1	16	8.8	—	—	—	—	—	—	1	0.7	—	—
Contributions deduction	—	—	8	4.4	—	—	1	100.0	—	—	3	2.2	7	5.9
Medical and dental expense deduction	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous deduction	—	—	5	2.8	—	—	—	—	—	—	1	0.7	1	0.8
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	12	8.6	9	7.6
Business credit	—	—	1	0.6	—	—	—	—	—	—	8	5.8	—	—
Investment credit	—	—	1	0.6	—	—	—	—	—	—	4	2.9	2	1.7
All other tax credits	—	—	2	1.1	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	—	—	31	17.1	—	—	—	—	—	—	—	—	90	75.6
Partnership and S Corporation net losses	3	16.7	34	18.8	—	—	—	—	—	—	53	38.1	—	—
No second largest item	4	22.2	49	27.1	—	—	—	—	—	—	5	3.6	—	—

( ) Less than 0.05 percent.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

**Table 8—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect**

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect											
	Total		Interest paid deduction		Taxes paid deduction		Contributions deduction		Medical and dental expense deduction		Net casualty or theft loss deduction	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>Returns With Modified Total Income Tax</b>												
<b>Returns with adjusted gross income \$200,000 or more</b>												
Total .....	373,398	100.0	37,190	10.0	85,765	23.0	35,016	9.4	1,666	0.4	85	( )
Interest paid deduction	51,368	13.8	—	—	27,855	32.5	2,230	6.4	109	6.5	19	22.4
Taxes paid deduction	142,974	38.3	26,859	72.2	—	—	9,428	26.9	732	43.9	61	71.8
Contributions deduction	57,550	15.4	2,789	7.5	21,833	25.5	—	—	269	16.1	—	—
Medical and dental expense deduction	1,686	0.5	†	†	378	0.4	129	0.4	—	—	—	—
Net casualty or theft loss deduction	27	( )	†	†	4	( )	†	†	—	—	—	—
Miscellaneous deduction	20,383	5.5	1,047	2.8	12,762	14.9	727	2.1	157	9.4	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	762	0.2	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	3,884	1.0	149	0.4	1,264	1.5	164	0.5	—	—	—	—
All other tax credits	2,730	0.7	198	0.5	245	0.3	86	0.2	—	—	—	—
Capital gains exclusion	48,597	13.0	2,670	7.2	15,936	18.6	20,717	59.2	399	23.9	5	5.9
Partnership and S Corporation net losses	37,435	10.0	3,428	9.2	5,183	6.0	1,504	4.3	—	—	—	—
No second largest item	6,002	1.6	†	†	172	0.2	†	†	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>												
Total .....	528,550	100.0	36,760	7.0	87,410	16.5	36,036	6.8	1,907	0.4	85	( )
Interest paid deduction	65,108	12.3	—	—	27,783	31.8	2,066	5.7	110	5.8	19	22.4
Taxes paid deduction	220,676	41.8	26,193	71.3	—	—	9,619	26.7	732	38.4	61	71.8
Contributions deduction	72,200	13.7	2,945	8.0	22,172	25.4	—	—	269	14.1	—	—
Medical and dental expense deduction	2,917	0.6	9	( )	378	0.4	129	0.4	—	—	—	—
Net casualty or theft loss deduction	135	( )	1	( )	4	( )	3	( )	—	—	—	—
Miscellaneous deduction	25,449	4.8	1,031	2.8	12,671	14.5	676	1.9	157	8.2	—	—
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	1,344	0.3	33	0.1	133	0.2	25	0.1	—	—	—	—
Investment credit	4,419	0.8	149	0.4	1,320	1.5	164	0.5	—	—	—	—
All other tax credits	4,175	0.8	198	0.5	295	0.3	94	0.3	—	—	—	—
Capital gains exclusion	56,122	10.6	2,612	7.1	16,994	19.4	21,507	59.7	639	33.5	5	5.9
Partnership and S Corporation net losses	60,037	11.4	3,584	9.7	5,488	6.3	1,750	4.9	—	—	—	—
No second largest item	15,968	3.0	5	( )	172	0.2	3	( )	—	—	—	—
<b>Returns Without Modified Total Income Tax</b>												
<b>Returns with adjusted gross income \$200,000 or more</b>												
Total .....	437	100.0	162	37.1	20	4.6	35	8.0	11	2.5	17	3.9
Interest paid deduction	96	22.0	—	—	8	40.0	15	42.9	†	†	6	35.3
Taxes paid deduction	85	19.5	54	33.3	—	—	10	28.6	4	36.4	†	†
Contributions deduction	62	14.2	26	16.0	†	†	—	—	†	†	—	—
Medical and dental expense deduction	†	†	—	—	†	†	†	†	—	—	—	—
Net casualty or theft loss deduction	5	1.1	†	†	—	—	—	—	—	—	—	—
Miscellaneous deduction	24	5.5	6	3.7	†	†	†	†	†	†	†	†
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	†	†	—	—	—	—	—	—	—	—	—	—
Investment credit	10	2.3	†	†	†	†	—	—	—	—	—	—
All other tax credits	†	†	—	—	—	—	†	†	—	—	—	—
Capital gains exclusion	79	18.1	28	17.3	†	†	3	8.6	†	†	6	35.3
Partnership and S Corporation net losses	57	13.0	33	20.4	4	20.0	†	†	—	—	†	†
No second largest item	13	3.0	6	3.7	—	—	—	—	—	—	—	—
<b>Returns with expanded income \$200,000 or more</b>												
Total .....	379	100.0	88	23.2	6	1.6	15	4.0	8	2.1	14	3.7
Interest paid deduction	87	23.0	—	—	4	66.7	7	46.7	1	12.5	5	35.7
Taxes paid deduction	38	10.0	28	31.8	—	—	3	20.0	3	37.5	2	14.3
Contributions deduction	26	6.9	16	18.2	—	—	—	—	1	12.5	—	—
Medical and dental expense deduction	2	0.5	—	—	1	16.7	1	6.7	—	—	—	—
Net casualty or theft loss deduction	3	0.8	3	3.4	—	—	—	—	—	—	—	—
Miscellaneous deduction	8	2.1	3	3.4	1	16.7	—	—	1	12.5	1	7.1
Foreign tax credit	—	—	—	—	—	—	—	—	—	—	—	—
Business credit	8	2.1	—	—	—	—	—	—	—	—	—	—
Investment credit	10	2.6	4	4.5	—	—	—	—	—	—	—	—
All other tax credits	—	—	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion	115	30.3	18	20.5	—	—	2	13.3	2	25.0	5	35.7
Partnership and S Corporation net losses	71	18.7	14	15.9	—	—	2	13.3	—	—	1	7.1
No second largest item	11	2.9	2	2.3	—	—	—	—	—	—	—	—

Footnote(s) at end of table



**Table 8—Returns With and Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Number of Returns and Percentages Classified by Item With Largest Tax Effect and by Item With Second Largest Tax Effect—Continued**

(All figures are estimates based on samples)

Item with second largest tax effect	Item with the largest tax effect—Continued													
	Miscellaneous deductions		Foreign tax credit		Business credit		Investment credit		All other tax credits		Capital gains exclusion		Partnership and S Corporation net losses	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
<b>Returns With Modified Total Income Tax</b>														
<b>Returns with adjusted gross income \$200,000 or more</b>														
<b>Total</b> .....	<b>3,138</b>	<b>0.8</b>	—	—	<b>447</b>	<b>0.1</b>	<b>2,505</b>	<b>0.7</b>	<b>1,562</b>	<b>0.4</b>	<b>167,043</b>	<b>44.7</b>	<b>38,981</b>	<b>10.4</b>
Interest paid deduction .....	818	26.1	—	—	62	13.9	366	14.6	181	11.6	12,487	7.5	7,241	18.6
Taxes paid deduction .....	1,272	40.5	—	—	71	15.9	1,083	43.2	526	33.7	83,149	49.8	19,793	50.8
Contributions deduction .....	224	7.1	—	—	97	21.7	142	5.7	128	8.2	29,537	17.7	2,531	6.5
Medical and dental expense deduction .....	—	—	—	—	—	—	†	†	—	—	1,116	0.7	52	0.1
Net casualty or theft loss deduction .....	—	—	—	—	—	—	—	—	—	—	10	( )	8	( )
Miscellaneous deduction .....	—	—	—	—	—	—	†	†	†	†	5,112	3.1	525	1.3
Foreign tax credit .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit .....	†	†	—	—	—	—	17	0.7	†	†	382	0.2	164	0.4
Investment credit .....	72	2.3	—	—	39	8.7	—	—	93	6.0	1,431	0.9	672	1.7
All other tax credits .....	—	—	—	—	—	—	10	0.4	—	—	1,949	1.2	242	0.6
Capital gains exclusion .....	345	11.0	—	—	161	36.0	360	14.4	284	18.2	—	—	7,720	19.8
Partnership and S Corporation net losses .....	394	12.6	—	—	†	†	455	18.2	†	†	26,247	15.7	—	—
No second largest item .....	†	†	—	—	†	†	69	2.8	84	5.4	5,623	3.4	33	0.1
<b>Returns with expanded income \$200,000 or more</b>														
<b>Total</b> .....	<b>3,030</b>	<b>0.6</b>	—	—	<b>500</b>	<b>0.1</b>	<b>2,404</b>	<b>0.5</b>	<b>1,523</b>	<b>0.3</b>	<b>313,132</b>	<b>59.2</b>	<b>45,763</b>	<b>8.7</b>
Interest paid deduction .....	818	27.0	—	—	62	12.4	367	15.3	184	12.1	26,226	8.4	7,473	16.3
Taxes paid deduction .....	1,272	42.0	—	—	71	14.2	1,077	44.8	468	30.7	160,574	51.3	20,609	45.0
Contributions deduction .....	224	7.4	—	—	97	19.4	142	5.9	132	8.7	43,465	13.9	2,754	6.0
Medical and dental expense deduction .....	—	—	—	—	—	—	1	( )	—	—	2,348	0.7	52	0.1
Net casualty or theft loss deduction .....	—	—	—	—	—	—	—	—	—	—	68	( )	59	0.1
Miscellaneous deduction .....	—	—	—	—	—	—	2	0.1	51	3.3	10,342	3.3	519	1.1
Foreign tax credit .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit .....	2	0.1	—	—	—	—	17	0.7	6	0.4	919	0.3	209	0.5
Investment credit .....	72	2.4	—	—	39	7.8	—	—	93	6.1	1,929	0.6	653	1.4
All other tax credits .....	—	—	—	—	—	—	10	0.4	—	—	3,330	1.1	248	0.5
Capital gains exclusion .....	345	11.4	—	—	214	42.8	371	15.4	286	18.8	—	—	13,149	28.7
Partnership and S Corporation net losses .....	287	9.5	—	—	15	3.0	347	14.4	158	10.4	48,408	15.5	—	—
No second largest item .....	10	0.3	—	—	2	0.4	70	2.9	145	9.5	15,523	5.0	38	0.1
<b>Returns Without Modified Total Income Tax</b>														
<b>Returns with adjusted gross income \$200,000 or more</b>														
<b>Total</b> .....	<b>26</b>	<b>5.9</b>	—	—	†	†	†	†	—	—	<b>35</b>	<b>8.0</b>	<b>128</b>	<b>29.3</b>
Interest paid deduction .....	12	46.2	—	—	†	†	†	†	—	—	9	25.7	42	32.8
Taxes paid deduction .....	†	†	—	—	—	—	—	—	—	—	†	†	9	7.0
Contributions deduction .....	—	—	—	—	—	—	†	†	—	—	8	22.9	24	18.8
Medical and dental expense deduction .....	—	—	—	—	—	—	—	—	—	—	†	†	†	†
Net casualty or theft loss deduction .....	—	—	—	—	—	—	—	—	—	—	†	†	†	†
Miscellaneous deduction .....	—	—	—	—	—	—	—	—	—	—	4	11.4	9	7.0
Foreign tax credit .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit .....	—	—	—	—	—	—	—	—	—	—	—	—	†	†
Investment credit .....	—	—	—	—	—	—	—	—	—	—	—	—	†	†
All other tax credits .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion .....	†	†	—	—	—	—	—	—	—	—	—	—	37	28.9
Partnership and S Corporation net losses .....	4	15.4	—	—	—	—	—	—	—	—	10	28.6	—	—
No second largest item .....	†	†	—	—	—	—	—	—	—	—	†	†	†	†
<b>Returns with expanded income \$200,000 or more</b>														
<b>Total</b> .....	<b>17</b>	<b>4.5</b>	—	—	—	—	<b>1</b>	<b>0.3</b>	—	—	<b>123</b>	<b>32.5</b>	<b>107</b>	<b>28.2</b>
Interest paid deduction .....	9	52.9	—	—	—	—	—	—	—	—	52	42.3	9	8.4
Taxes paid deduction .....	2	11.8	—	—	—	—	—	—	—	—	—	—	—	—
Contributions deduction .....	—	—	—	—	—	—	1	100.0	—	—	1	0.8	7	6.5
Medical and dental expense deduction .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net casualty or theft loss deduction .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous deduction .....	—	—	—	—	—	—	—	—	—	—	1	0.8	1	0.9
Foreign tax credit .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Business credit .....	—	—	—	—	—	—	—	—	—	—	8	6.5	—	—
Investment credit .....	—	—	—	—	—	—	—	—	—	—	4	3.3	2	1.9
All other tax credits .....	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Capital gains exclusion .....	—	—	—	—	—	—	—	—	—	—	—	—	88	82.2
Partnership and S Corporation net losses .....	2	11.8	—	—	—	—	—	—	—	—	52	42.3	—	—
No second largest item .....	4	23.5	—	—	—	—	—	—	—	—	5	4.1	—	—

( ) Less than 0.05 percent.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

NOTE: Detail may not add to total because of rounding.

**Table 9—Returns Without Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income**

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	659	76	67	30	13	8	9	6	6	31	413
Interest paid deduction:											
Total	659	92	110	38	12	11	16	12	22	95	251
Investment interest per income concept	659	122	172	55	24	19	25	20	16	97	109
Investment interest exceeding investment income per concept	659	395	93	27	25	19	11	12	9	38	30
Taxes paid deduction	659	104	426	77	26	8	†	6	†	5	4
Contributions deduction	659	148	382	39	21	27	27	†	—	—	†
Medical and dental expense deduction	659	631	11	5	†	†	†	—	†	4	3
Net casualty or theft loss deduction	659	633	†	†	†	—	†	†	†	4	11
Miscellaneous deductions	659	210	372	30	17	5	4	†	†	14	4
Deduction equivalent of:											
Total credits	659	429	10	†	†	6	7	7	8	178	8
Foreign tax credit	659	437	4	†	†	6	7	7	9	177	8
Business credit	659	654	†	†	—	—	—	—	—	—	—
Investment credit	659	637	18	†	†	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	659	117	356	53	34	18	15	8	9	21	28

Type of deduction or credit	Returns with expended income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	595	207	148	26	11	15	10	5	3	37	133
Interest paid deduction:											
Total	595	287	156	23	8	12	7	9	4	45	44
Investment interest per income concept	595	260	219	37	19	13	2	8	6	12	19
Investment interest exceeding investment income per concept	595	467	46	8	8	7	3	4	5	25	22
Taxes paid deduction	595	239	278	49	15	5	2	1	—	3	3
Contributions deduction	595	272	247	26	9	3	8	14	6	6	4
Medical and dental expense deduction	595	570	13	2	—	2	1	—	1	4	2
Net casualty or theft loss deduction	595	576	1	—	3	—	1	1	—	4	9
Miscellaneous deductions	595	295	254	17	6	2	3	1	1	13	3
Deduction equivalent of:											
Total credits	595	366	5	5	13	5	12	13	5	164	7
Foreign tax credit	595	379	1	5	4	5	12	13	5	164	7
Business credit	595	584	2	1	8	—	—	—	—	—	—
Investment credit	595	574	18	—	3	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	595	94	203	27	16	12	12	16	8	66	141

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.

**Table 10—Returns Without Modified Total Income Tax and With Income \$200,000 or More Under Alternative Concepts: Itemized Deductions as a Percentage of Income**

(All figures are estimates based on samples)

Type of deduction or credit	Returns with adjusted gross income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Total itemized deductions	437	—	—	—	—	—	—	—	—	24	413
Interest paid deduction:											
Total	437	10	24	7	6	4	12	11	19	93	251
Investment interest per income concept	437	21	78	40	18	15	25	19	15	97	109
Investment interest exceeding investment income per concept	437	210	64	25	24	16	10	11	9	38	30
Taxes paid deduction	437	6	315	70	21	8	†	5	†	5	4
Contributions deduction	437	38	282	38	18	21	26	†	—	—	†
Medical and dental expense deduction	437	412	9	4	†	†	†	—	†	4	3
Net casualty or theft loss deduction	437	412	†	†	†	—	†	†	†	4	11
Miscellaneous deductions	437	102	264	26	16	5	4	†	†	13	4
Deduction equivalent of:											
Total credits	437	429	†	—	†	—	—	—	—	—	—
Foreign tax credit	437	437	—	—	—	—	—	—	—	—	—
Business credit	437	433	†	†	—	—	—	—	—	—	—
Investment credit	437	†	†	†	†	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	437	56	234	42	31	13	14	7	8	13	19

Type of deduction or credit	Returns with expanded income \$200,000 or more										
	Total	No deduction or credit	Under 10%	10% under 20%	20% under 30%	30% under 40%	40% under 50%	50% under 60%	60% under 70%	70% under 100%	100% or more
	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
Total itemized deductions	379	127	67	1	1	11	1	1	2	35	133
Interest paid deduction:											
Total	379	159	93	5	7	8	6	9	3	45	44
Investment interest per income concept	379	156	130	26	11	13	2	7	4	12	18
Investment interest exceeding investment income per concept	379	281	21	6	8	5	3	4	4	25	22
Taxes paid deduction	379	139	173	44	10	4	2	1	—	3	3
Contributions deduction	379	162	154	20	5	2	7	13	6	6	4
Medical and dental expense deduction	379	357	11	1	—	2	1	—	1	4	2
Net casualty or theft loss deduction	379	360	1	—	3	—	1	1	—	4	9
Miscellaneous deductions	379	184	155	13	6	1	3	1	1	12	3
Deduction equivalent of:											
Total credits	379	366	4	—	9	—	—	—	—	—	—
Foreign tax credit	379	379	—	—	—	—	—	—	—	—	—
Business credit	379	369	2	—	8	—	—	—	—	—	—
Investment credit	379	376	1	—	2	—	—	—	—	—	—
Tax preferences excluded from adjusted gross income	379	33	84	18	10	10	4	10	4	65	141

\* Estimate should be used with caution because of the small number of sample returns on which it is based.

† Data deleted to avoid disclosure of information for specific taxpayers. Deleted data are included in the appropriate totals.



**Table 11—Returns With and Without Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts<sup>1</sup>**

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns</b> .....	<b>103,045,170</b>	<b>100.0</b>	<b>93,580,613</b>	<b>100.0</b>	<b>7,974,601</b>	<b>100.0</b>	<b>1,115,593</b>	<b>100.0</b>	<b>374,363</b>	<b>100.0</b>
Returns without total income tax	17,674,078	17.2	17,654,435	18.9	16,554	0.2	2,430	0.2	659	0.2
Returns with total income tax	85,371,092	82.8	75,926,178	81.1	7,958,047	99.8	1,113,163	99.8	373,704	99.8
Effective tax rate										
Under 5 percent	16,370,513	15.9	16,285,649	17.4	77,913	1.0	5,994	0.5	957	0.3
5 under 10 percent	28,983,012	28.1	28,503,055	30.5	456,015	5.7	21,403	1.9	2,539	0.7
10 under 15 percent	26,332,469	25.6	24,150,472	25.8	2,106,133	26.4	62,795	5.6	13,069	3.5
15 under 20 percent	9,848,913	9.6	6,226,589	6.7	3,459,336	43.4	149,254	13.4	13,734	3.7
20 under 25 percent	2,393,642	2.3	606,132	0.6	1,456,470	18.3	309,192	27.7	21,848	5.8
25 under 30 percent	743,778	0.7	56,969	0.1	312,617	3.9	321,001	28.8	53,191	14.2
30 under 35 percent	342,017	0.3	22,216	( )	64,413	0.8	175,810	15.8	79,578	21.3
35 under 40 percent	195,063	0.2	16,944	( )	11,535	0.1	51,332	4.6	115,252	30.8
40 under 45 percent	75,432	0.1	9,068	( )	4,384	0.1	9,311	0.8	52,669	14.1
45 under 50 percent	28,175	( )	5,876	( )	2,476	( )	2,963	0.3	16,860	4.5
50 under 60 percent	16,985	( )	9,050	( )	3,286	( )	2,177	0.2	2,472	0.7
60 under 70 percent	2,918	( )	859	( )	398	( )	910	0.1	751	0.2
70 under 80 percent	3,974	( )	923	( )	2,280	( )	371	( )	400	0.1
80 percent or more	34,201	( )	32,376	( )	791	( )	650	0.1	384	0.1

Effective Tax Rate	Size of expanded income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns</b> .....	<b>103,045,170</b>	<b>100.0</b>	<b>93,182,451</b>	<b>100.0</b>	<b>8,023,050</b>	<b>100.0</b>	<b>1,310,209</b>	<b>100.0</b>	<b>529,460</b>	<b>100.0</b>
Returns without total income tax	17,674,078	17.2	17,652,406	18.9	18,870	0.2	2,207	0.2	595	0.1
Returns with total income tax	85,371,092	82.8	75,530,045	81.1	8,004,180	99.8	1,308,002	99.8	528,865	99.9
Effective tax rate										
Under 5 percent	16,724,214	16.2	16,613,896	17.8	101,993	1.3	6,987	0.5	1,338	0.3
5 under 10 percent	29,095,855	28.2	28,414,103	30.5	626,458	7.8	52,382	4.0	2,912	0.5
10 under 15 percent	26,434,041	25.7	23,831,762	25.6	2,328,378	29.0	240,096	18.3	33,805	6.4
15 under 20 percent	9,952,634	9.7	6,042,228	6.5	3,415,898	42.6	298,248	22.8	196,260	37.1
20 under 25 percent	2,255,652	2.2	536,143	0.6	1,296,053	16.2	347,041	26.5	76,415	14.4
25 under 30 percent	552,963	0.5	41,142	( )	199,763	2.5	242,698	18.5	69,360	13.1
30 under 35 percent	224,364	0.2	15,193	( )	26,019	0.3	100,721	7.7	82,431	15.6
35 under 40 percent	80,058	0.1	13,472	( )	4,791	0.1	16,119	1.2	45,676	8.6
40 under 45 percent	21,463	( )	202	( )	839	( )	2,663	0.2	17,759	3.4
45 under 50 percent	4,819	( )	—	—	1,698	( )	560	( )	2,561	0.5
50 under 60 percent	8,431	( )	6,787	( )	1,450	( )	1	( )	193	( )
60 under 70 percent	308	( )	1	( )	1	( )	240	( )	66	( )
70 under 80 percent	1,763	( )	613	( )	835	( )	241	( )	74	( )
80 percent or more	14,527	( )	14,503	( )	4	( )	5	( )	15	( )

( ) Less than 0.05 percent

<sup>1</sup> Estimate should be used with caution because of the small number of sample returns on which it is based<sup>2</sup> Returns with total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE: Detail may not add to total because of rounding

**Table 12—Returns With and Without Modified Total Income Tax: Number of Returns and Percentages Classified by Effective Tax Rate and by Size of Income Under Alternative Concepts<sup>1</sup>**

(All figures are estimates based on samples)

Effective Tax Rate	Size of adjusted gross income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<b>All returns</b> .....	<b>103,045,170</b>	<b>100.0</b>	<b>93,580,613</b>	<b>100.0</b>	<b>7,974,601</b>	<b>100.0</b>	<b>1,115,593</b>	<b>100.0</b>	<b>374,363</b>	<b>100.0</b>
Returns without modified total income tax ..	17,658,014	17.1	17,638,594	18.8	16,554	0.2	2,429	0.2	437	0.1
Returns with modified total income tax .....	85,387,156	82.9	75,942,019	81.2	7,958,047	99.8	1,113,164	99.8	373,926	99.9
Effective tax rate:										
Under 5 percent .....	16,343,263	15.9	16,266,335	17.4	69,993	0.9	5,994	0.5	941	0.3
5 under 10 percent .....	28,963,693	28.1	28,491,661	30.4	448,096	5.6	21,402	1.9	2,534	0.7
10 under 15 percent .....	26,356,223	25.6	24,197,021	25.9	2,094,739	26.3	51,400	4.6	13,063	3.5
15 under 20 percent .....	9,868,213	9.6	6,226,589	6.7	3,467,255	43.5	160,647	14.4	13,722	3.7
20 under 25 percent .....	2,405,028	2.3	606,132	0.6	1,467,864	18.4	309,192	27.7	21,840	5.8
25 under 30 percent .....	751,695	0.7	56,969	0.1	320,536	4.0	321,003	28.8	53,187	14.2
30 under 35 percent .....	342,020	0.3	22,216	( )	64,413	0.8	175,810	15.8	79,581	21.3
35 under 40 percent .....	191,668	0.2	16,944	( )	11,535	0.1	51,334	4.6	111,855	29.9
40 under 45 percent .....	75,524	0.1	9,068	( )	4,384	0.1	9,311	0.8	52,761	14.1
45 under 50 percent .....	28,268	( )	5,876	( )	2,477	( )	2,963	0.3	16,952	4.5
50 under 60 percent .....	20,465	( )	9,050	( )	3,286	( )	2,177	0.2	5,952	1.6
60 under 70 percent .....	2,921	( )	859	( )	398	( )	910	0.1	754	0.2
70 under 80 percent .....	3,974	( )	923	( )	2,280	( )	371	( )	400	0.1
80 percent or more .....	34,201	( )	32,376	( )	791	( )	650	0.1	384	0.1

Effective Tax Rate	Size of expanded income									
	Total		Under \$50,000		\$50,000 under \$100,000		\$100,000 under \$200,000		\$200,000 or more	
	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total	Number of returns	Percent of total
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
<b>All returns</b> .....	<b>103,045,170</b>	<b>100.0</b>	<b>93,182,451</b>	<b>100.0</b>	<b>8,023,050</b>	<b>100.0</b>	<b>1,310,209</b>	<b>100.0</b>	<b>529,460</b>	<b>100.0</b>
Returns without modified total income tax ..	17,658,014	17.1	17,636,565	18.9	18,870	0.2	2,200	0.2	379	0.1
Returns with modified total income tax .....	85,387,156	82.9	75,545,886	81.1	8,004,180	99.8	1,308,009	99.8	529,081	99.9
Effective tax rate:										
Under 5 percent .....	16,696,963	16.2	16,594,582	17.8	94,073	1.2	6,989	0.5	1,319	0.2
5 under 10 percent .....	29,073,058	28.2	28,402,709	30.5	618,539	7.7	48,907	3.7	2,903	0.5
10 under 15 percent .....	26,472,665	25.7	23,878,311	25.6	2,324,903	29.0	235,650	18.0	33,801	6.4
15 under 20 percent .....	9,963,985	9.7	6,042,228	6.5	3,419,373	42.6	306,169	23.4	196,215	37.1
20 under 25 percent .....	2,263,612	2.2	536,143	0.6	1,303,972	16.3	347,042	26.5	76,455	14.4
25 under 30 percent .....	560,896	0.5	41,142	( )	207,682	2.6	242,699	18.5	69,373	13.1
30 under 35 percent .....	220,913	0.2	15,193	( )	26,019	0.3	100,722	7.7	78,979	14.9
35 under 40 percent .....	80,139	0.1	13,472	( )	4,791	0.1	16,121	1.2	45,755	8.6
40 under 45 percent .....	21,543	( )	202	( )	839	( )	2,663	0.2	17,839	3.4
45 under 50 percent .....	8,347	( )	—	( )	1,699	( )	560	( )	6,088	1.1
50 under 60 percent .....	8,435	( )	6,787	( )	1,450	( )	1	( )	197	( )
60 under 70 percent .....	310	( )	1	( )	1	( )	240	( )	68	( )
70 under 80 percent .....	1,763	( )	613	( )	835	( )	241	( )	74	( )
80 percent or more .....	14,527	( )	14,503	( )	4	( )	5	( )	15	( )

( ) Less than 0.05 percent

<sup>\*</sup> Estimate should be used with caution because of the small number of sample returns on which it is based.<sup>1</sup> Returns with modified total income tax includes returns with income tax which is totally offset by the earned income credit

NOTE: Detail may not add to total because of rounding





## Section 5

## Explanation of Terms

Explanation of terms are designed to aid the user in interpreting the statistical content of this report and should not be construed as interpretations of the Internal Revenue (IR) Code or related regulations, procedures, or policies. Code sections cited were those in effect for 1986.

Most of the definitions and explanations supplied in this section relate to column or stub titles used in one or more tables in this report. Some provide background or limitations to such titles. Therefore, explanations are written to provide information necessary to interpret the statistical tables to which they relate. Definitions marked with the symbol (#) are either new or modified definitions reflecting changes in the law or in Statistics of Income processing.

Section 6, 1986 Forms and Instructions, provides further information about many of the items in this report. The terms used in Section 4 differ substantially from those applicable to the remainder of the report and are defined separately in that section.

### Additional Tax for Tax Preferences

Additional tax for tax preferences is the sum of alternative minimum tax plus deferred minimum tax. Although the requirement to pay the minimum tax ended in Tax Year 1982, taxpayers with a net operating loss might have been able to defer payment of minimum tax until Tax Year 1986. (See "Alternative Minimum Tax".)

### Adjusted Gross Income Less Deficit

The broadest definition of gross income is all income from whatever source derived, including (but not limited to) the following:

- Compensation for services, including wages, fees, commissions, fringe benefits, and similar items;
- Gross income derived from business;
- Gains derived from dealings in property;
- Interest, rents, and royalties;
- Dividends;
- Alimony and separate maintenance payments;
- Annuities and pensions;
- Income from life insurance and endowment contracts;

- Income from discharge of indebtedness;
- Distributive share of partnership gross income;
- Income from an interest in an estate or trust;
- Prizes and awards;
- Some social security payments; and
- Some unemployment compensation.

Some items are specifically excluded (completely or partially) from gross income for income tax purposes. In particular:

- Accident and health insurance proceeds, "Black Lung" benefits, and casualty insurance proceeds;
- Child support payments;
- Cost-of-living allowances paid to U.S. Government employees stationed outside the U.S.;
- Employment agency fees paid directly by the taxpayer's employer and relocation payments;
- Federal Employees' Compensation Act payments;
- Gifts, bequests, or inheritances;
- Life insurance proceeds;
- Certain social security benefits;
- Meals and lodging provided by the employer for the employees' benefit;
- Military allowances and payments to dependents of military personnel;
- Certain payments to a beneficiary of a deceased employee;
- Payments to reduce the cost of winter energy consumption;
- Certain Railroad Retirement Act pensions and railroad retirement lump sum payments;
- Rental allowance of members of the clergy;
- Scholarship and fellowship grants;
- Certain veteran's benefits;
- Worker's compensation;
- Interest on most state or local government bonds;
- Mustering out benefits;
- Foster care receipts; and
- Employer provided benefits including insurance and pension payments.

Gross income is further reduced by excludable portions of items reported on Form 1040 to arrive at "Total Income" (line 23).

Following is a list of such items:

- Ordinary and necessary expenses of operating a farm or business;
- Expense deductions attributable to rents and royalties, and net adjustment for windfall profit tax withheld;
- Expenses of outside salespersons attributable to a trade or business carried on by the taxpayer;
- Depreciation deduction allowed life tenants and income beneficiaries of property held in trust;
- Deductible losses from sales of capital assets and other property;
- Excludable portion of the excess of net long-term capital gain over net short-term capital loss;
- Business net operating loss deductions;
- Exclusion of the ordinary income portion (in contrast to the amount treated as long-term capital gain) of the taxable amount of a lump-sum distribution from a qualified pension or retirement plan, taxed separately from other sources of income at the taxpayer's election;
- Limited exclusion of unemployment compensation;
- Limited exclusion of railroad retirement pension income;
- Limited exclusion of social security benefits;
- Limited exclusion of qualified foreign earned income;
- One-time exclusion of gain from sale of principal residence by individuals who are 55 years or older;
- Certain reduced uniformed services retirement pay;
- Employer contributions to simplified employee pension plans; and
- Exclusion of up to \$100 (\$200 on joint returns) of domestic dividends.

From Total Income (line 23 on Form 1040) the following statutory adjustments are subtracted to arrive at Adjusted Gross Income:

- Employee business and moving expenses;
- Contributions to a self-employed retirement fund ("Keogh Plan") by the self-employed, and to individual retirement arrangements (IRA's) by employees or self-employed persons;
- Forfeited interest penalties, incurred by persons who made premature withdrawals of funds from time savings accounts;
- Alimony payments;
- Forestation/reforestation expenses;
- Deduction for two-earner married couples;
- The foreign housing exclusion; and
- Repayments of supplemental unemployment compensation received under the Trade Act of 1974.

A deficit occurs if the allowable exclusions and deductions exceed gross income.

### Adjustments

See "Statutory Adjustments."

### Advance Earned Income Credit Payments

Taxpayers who believed they would be eligible for the earned income credit at the end of the year could receive the credit from their employers as an additional payment in their paychecks during the year. Those payments were then shown on the tax return, where they became either an increase to balance due or a reduction of overpayment. (See also "All Other Taxes.")

### Age 65 or Over

The presence of the additional exemption allowed taxpayers age 65 or over was used as the basis of this classification. In the case of joint returns of husbands and wives, the return was considered a return of a taxpayer age 65 or over, regardless of whether one or two exemptions were claimed.

### Alimony

Payments received as alimony or separate maintenance were income to the person receiving them and an adjustment to gross income for the person paying them if the payments were:

- (1) required under the terms of a decree of divorce or separate maintenance, or a written instrument incident to that decree;
- (2) paid in discharge of a legal obligation based on the marital relationship; or
- (3) paid after the decree and on a periodic basis.

### All Other Taxes

For purposes of this report, this amount represents the sum of the self-employment tax, tax from recomputing prior-year investment credit, social security taxes on tip income, any penalty taxes on individual retirement arrangements (IRA's), and other unspecified taxes. This was in contrast to the "other taxes" portion of the Form 1040 itself, which was composed of the taxes listed above plus the minimum tax carryover, alternative minimum tax, the advance earned income credit payments received, uncollected tax on tips, excess golden parachute payments, and section 72 penalty taxes. Alternative minimum tax is



tabulated in this report as part of "total income tax" and serves as part of the requirements for determining the taxable or nontaxable classification of a return. Advance earned income credit payments are shown as a separate item in computing total tax liability, balance due, or refund. (See also "Taxable and Nontaxable Returns" and "Total Income Tax".)

### Alternative Minimum Tax

The Internal Revenue (IR) Code provides for special treatment of some kinds of income and allows special deductions for some kinds of expenses. So that individual taxpayers who benefit from these provisions will pay at least a minimum amount of tax, a special tax for individual taxpayers was in effect--the alternative minimum tax.

The alternative minimum tax was levied on benefits received in the form of deductions, and exclusions which reduced the effective tax rate. These benefits are known as "alternative minimum tax preferences" or "alternative minimum tax preference items" because they result from the preferential treatment given those items in the tax law.

The alternative minimum tax was computed by reducing alternative minimum taxable income (see definition below) by an exemption amount determined by filing status. If the return was filed jointly by a married couple or a surviving spouse, the amount was \$40,000. The amount for single or head of household taxpayers was \$30,000. For married couples filing separately, the amount was \$20,000.

If the amount in excess of the exemption was greater than zero, it was multiplied by 20 percent, the alternative minimum tax rate. The residual amount of tax was reduced by "income tax after credits", excluding "additional taxes" (as reported on Form 1040). For taxpayers claiming a foreign tax credit, the amount of residual alternative minimum tax over additional taxes could be further reduced by the foreign tax credit. The amount that the alternative minimum tax was reduced by the foreign tax credit was computed by special rules and generally was limited to the proportion of alternative minimum income attributable to foreign sources compared to the total amount of alternative minimum taxable income.

### Alternative Minimum Taxable Income

Alternative minimum taxable income was defined as adjusted gross income including any net operating losses plus the sum of the alternative minimum tax preference items (defined below) less the following:

- (1) alternative tax net operating loss;

- (2) alternative minimum tax itemized deductions;
- (3) the amount of the alcohol fuel credit; and
- (4) accumulated distributions made from a trust.

### Alternative Minimum Tax Preferences

Because some income and deductions were given special treatment under the IR Code, many taxpayers would pay little or no tax if it were not for the alternative minimum tax. Below are the items that were tax preferences because they were given "preferential" treatment in the form of deductions, lower tax rates, and exclusions from tax:

- (1) Dividend Exclusion--This is the portion (up to \$100 per taxpayer - \$200 for joint returns) of ordinary dividends not included in gross income or AGI,
- (2) Capital Gains Deduction--This is that portion (60 percent) of the excess of net long-term capital gains over net short-term capital losses which was excluded from adjusted gross income,
- (3) Incentive Stock Options--This amount is the difference between the fair market value of stock bought under an incentive stock option and the price paid for the stock,
- (4) Accelerated Depreciation on Real Property--This amount represents the depreciation or amortization taken during the year on real property less the depreciation that would have been taken under the straight-line method,
- (5) Accelerated Depreciation on Leased Personal Property--This amount represents the depreciation or amortization taken during the year on leased personal property less the depreciation or amortization that would have been taken under the straight-line method,
- (6) Amortization of Certified Pollution Control Facilities--This amount represents the amortization deduction for a certified pollution control facility less the depreciation deduction normally allowed,
- (7) Depletion--This amount is the depletion deduction for the year in excess of the adjusted basis in the property at the end of the year,



- (8) Intangible Drilling and Development Costs--This is the "excess deduction amount" for intangible drilling and development costs for oil, gas, or geothermal wells (figured separately) when the deduction is more than the taxpayer's net income from the same items. The "excess deduction amount" is the excess of the allowable deduction for such costs (excluding those for drilling a nonproductive well) over the allowable deduction, had such costs been capitalized and amortized over a 120 month period,
- (9) Mining Exploration and Development Costs--This is the amount allowed for current-year mining exploration and development costs less the deduction that would have been amortized over a 10-year period,
- (10) Circulation and Research and Experimental Expenditures--This is the amount by which the current year deduction allowable for circulation costs (of newspapers, magazines, and other periodicals) and research and experimental expenditures exceeds the amount that would have been amortized over a 3-year period for circulation costs and a 10-year period for research and experimental expenditures, and
- (11) Reserves for Losses on Bad Debts of Financial Institutions--This amount was the excess of additional reserves for bad debts less the amount that would have been allowed based on actual loss experience.

#### Business or Profession Net Income or Loss

This source of income was reported by individuals who were sole proprietors of a nonfarm business or self-employed members of a profession. A sole proprietorship is the simplest form of business organization. The business has no existence apart from its owner. Its liabilities are the personal liabilities of its owner. The taxpayer's interest in the sole proprietorship ends with its dissolution or the taxpayer's death.

When there were two or more sole proprietorships operated by the same taxpayer(s), the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all business activities. The proprietor was required to exclude investment income from business profits and to include it, instead, with the various types of investment income for which separate provision was made on the individual income tax return.

Business costs and expenses were deductible from gross receipts or gross sales in arriving

at net profit or loss. Compensation of the proprietor was taxable income and, therefore, not allowed as a business deduction in computing net profit. The deduction of net operating losses from other years was not considered a business expense, but was offset, instead, against "other income" on the proprietor's income tax return.

Information on sole proprietorships, business receipts and expenditures can be found in the annual summer issue of the Statistics of Income Bulletin.

#### Capital Assets

See "Sales of Capital Assets Net Gain or Loss."

#### Capital Gain Distributions Reported on Form 1040

These distributions included the following:

- (1) Long-term capital gains credited or distributed to individual taxpayers by regulated investment companies and mutual funds. Gains credited but not distributed were reported as income, and
- (2) Long-term capital gains distributed by real estate investment trusts.

Normally, taxpayers would have reported these distributions on the supporting schedule used for this type of income (Schedule D, Capital Gains and Losses). However, if the taxpayers did not need Schedule D to report any other gains or losses, they then entered 40 percent of the capital gain distributions directly on line 14, Form 1040.

For purposes of this report, "capital gain distributions reported on Form 1040" are tabulated as part of "sales of capital assets" and are reflected in the long-term capital gain and loss and net capital gain and loss data. (See also "Sales of Capital Assets Net Gain or Loss.")

#### Capital Gains and Losses

See "Sales of Capital Assets Net Gain or Loss."

#### Casualty or Theft Loss, Nonbusiness

Nonbusiness casualty and theft losses were deductible from adjusted gross income to the extent that the nonreimbursable net loss for each such casualty or theft exceeded \$100, and the combined amount for all net losses during the year exceeded 10 percent of adjusted gross income. A theft was considered to be the unlawful taking and removing of money or property with the intent of depriving the owner of its use. A casualty was defined as a

complete or partial destruction of property resulting from an identifiable event of a sudden, unexpected, or unusual nature, such as a fire or storm.

For 1986, casualty and theft gains and losses were required to be netted. Net gains were realized if total reimbursements (such as insurance payments) exceeded total cost or fair market value for the items. Such net gains were required to be treated as capital gains and reported on Schedule D. Depending on the holding period for the lost asset, the net gains reported on Schedule D were treated as either short or long-term capital gains.

### Child Care Credit

This credit was claimed by taxpayers who incurred expenses for the care of dependent children under age 15 or disabled dependents while these taxpayers were working. Qualifying expenses included those for services performed within the home by nondependent babysitters, maids, or cooks. Expenditures paid for the care of children under the age of 15 or any other qualified individuals for out-of-home non-institutional care qualified for the child care credit.

The maximum amount of employment-related expenses to which the credit could be applied was the lesser of earned income or \$2,400 if one qualifying child or dependent was involved and the lesser of earned income or \$4,800 if more than one dependent was involved. The credit was equal to 30 percent of employment-related expenses for taxpayers with adjusted gross income of \$10,000 or less. The credit was reduced by one percent for each \$2,000 increment of adjusted gross income in excess of \$10,000 up to \$28,000. The credit remained at 20 percent of expenses for individuals with adjusted gross income of \$28,000 or more.

The amount of the credit which could be claimed was limited to income tax before credits and any excess was not refundable.

### Contributions Deduction for Itemizers

Contributions deductible on Form 1040 as an itemized deduction from adjusted gross income included gifts in the form of cash or property to:

- (1) the United States, a State, or a local government for exclusively public purposes;
- (2) organizations created in the United States or its possessions or under the law of the United States and operated exclusively for:
  - (a) religious purposes,
  - (b) charitable purposes,
  - (c) scientific purposes,

- (d) literary purposes,
- (e) educational purposes,
- (f) fostering national or international amateur sports competition, or
- (g) preventing cruelty to children or animals;

- (3) nonprofit cemetery companies owned and operated exclusively for the benefit of their members;
- (4) organizations of war veterans or their auxiliaries;
- (5) domestic fraternal societies operating under the lodge system if the contributions were used exclusively for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals;
- (6) nonprofit volunteer fire company; and
- (7) a nonprofit day care center.

Some out-of-pocket unreimbursable expenses that the taxpayer paid to do volunteer work for such organizations were also deductible. Individuals who were members of a partnership could also include in their contributions deductions their pro-rata share of partnership contributions.

In general, a deduction was allowed for all contributions up to 50 percent of adjusted gross income. Contributions to organizations which used the proceeds for external activities such as clinic health care or camps for children were limited to the 50 percent ceiling, but contributions to organizations which used the proceeds primarily to operate the organization were limited to the 30 percent ceiling. Contributions that you made for maintaining veterans organizations, fraternal societies, and nonprofit cemeteries were limited to 30 percent of your adjusted gross income. A 30 percent limit also applies to contributions of certain capital gain property to those organizations for which the 50 percent limit applies. There is a 20 percent of adjusted gross income limit that applies to gifts of long-term capital gain appreciated property contributed to specific organizations. Contributions exceeding any of the three limitations could be carried over and deducted in the next 5 years. Therefore, in addition to contributions made in 1986, the statistics also include amounts carried over from 1981-1985 that were within the current year's percentage limitations.

Cash contributions to a single organization of more than \$3,000 were reported separately from other cash contributions, and these data are shown separately in Table 2.1.



Contributions Deduction for Nonitemizers (#)

Taxpayers who did not itemize their deductions were still able to benefit from tax law provisions for charitable contributions. The criteria which determined the deduction of charitable contributions was the same for non-itemizing as well as itemizing taxpayers. One hundred percent of charitable contributions were deductible up to limitations based on the size of AGI. For 1985, only one-half of such contributions were deductible.

Credit for Tax on Certain Gasoline, Fuel, and Oil

This was a credit allowed in full or in stated amounts for Federal excise taxes paid on gasoline, special fuels, and lubricating oil when the fuel oil was used for: (1) farming purposes, (2) operation of public passenger land transportation services (taxi-cab operators of qualified taxicabs), (3) operation of inter-city, local, or school buses, (4) non-highway purposes of a trade or business, and (5) operation of qualified diesel-powered highway vehicles. These taxes could be applied as a credit to reduce total tax liability when the individual return was filed (with any amount in excess of total tax liability refunded) or refunded during the taxable year if the credit for any fuel category or any lubricating oil in any of the first three quarters of the year was at least \$1,000. A one-time credit (or refund) was allowed to the purchaser of a new qualified diesel-powered highway vehicle after January 1, 1985. The credit amount was \$198 for a truck or van and \$102 for any other vehicle, and any such credit reduced the basis of the vehicle.

Credit for the Elderly and Permanently and Totally Disabled

A credit for the elderly and permanently and totally disabled was available to taxpayers age 65 or older (within certain income limitations) and to those taxpayers under age 65, retired with a permanent and total disability, and who had received taxable income from a public or private employer because of that disability. An individual was considered permanently and totally disabled if he or she was medically determined to be "unable to engage in any substantial gainful activity because of a physical or mental impairment which could result in death or last 12 continuous months or more."

Individuals, age 65 or older, determined the base amount of income on which to figure the credit from an allowable amount of income classified by filing status and age. The classifications were grouped as follows:

Base AmountFiling Status

\$5,000

Single and 65 or over or disabled; married filing jointly with only one spouse either 65 or over or retired on disability,

\$7,500

Married filing jointly with both spouses either 65 or over or retired on disability, and

\$3,750

Married filing separately and either 65 or over or retired on disability.

Permanently and totally disabled individuals under age 65, determined the base amount on which to figure the credit as the lesser of the allowable amount (defined above) or taxable disability income. The base amount, for both qualifying groups was further reduced by the sum of nontaxable social security benefits, railroad retirement and veterans pensions, and other nontaxable pensions plus one-half of adjusted gross income in excess of an additional exclusion amount which was also classified by filing status and age. Lastly, the actual credit was computed as 15 percent of this amount.

The amount of the credit that could be claimed was limited to total income tax and any excess was not refundable.

Credit from Regulated Investment Companies

Taxpayers were instructed to include in gross income any amounts which were allocated to them as capital gain dividends from regulated investment companies, even if they were not actually received. If investment companies paid tax on the capital gain, taxpayers were entitled to claim a refundable credit for their proportionate share of the tax.

This refundable credit was reported on line 62 of Form 1040 for Tax Year 1986; however, the following credits were also included as credit from regulated investment companies in SOI data:

- (a) the excess hospital insurance benefits tax credit,
- (b) the throwback credit,
- (c) the credit for tax withheld by Canadian withholding agents,
- (d) repayments under renegotiations of government contracts,
- (e) repayments under "Claim-of-Right Doctrine,"
- (f) the credit for interest from tax-free Covenant bonds, and
- (g) the credit for tax withheld at source.



Credit on 1987 Estimated Tax

This credit was the part of the overpayment of 1986 tax which taxpayers specifically requested to be credited to their estimated tax for 1987. (See also "Overpayment" and "Estimated Tax Payments.")

Deduction for Working Married Couples

Married taxpayers who filed a joint return and who both worked qualified for a deduction. The maximum amount eligible for deduction was 10 percent of \$30,000. The deduction was computed as 10 percent of qualified earned income of the lower earning spouse. Qualified earned income was equal to the sum of salaries and wages and other earned income, plus self-employment income, less the following adjustments: employee business expenses, payments to an IRA, payments to a Keogh plan, and repayments of supplemental unemployment benefits. Married taxpayers who filed Form 2555 (Foreign Earned Income) to exclude any income from tax or deduct certain housing costs; or who filed Form 4563 (Exclusion of Income From Sources In United States Possessions) to exclude income from tax, were not eligible for the deduction.

Dividend Exclusion

Taxpayers could exclude up to \$100 (\$200 on a joint return) of eligible dividends from adjusted gross income. For an explanation of eligible dividends, see "Domestic and Foreign Dividends Received."

Dividends in Adjusted Gross Income

Total domestic and foreign dividends less the dividend exclusion equaled dividends in adjusted gross income. (See also "Domestic and Foreign Dividends Received" and "Dividend Exclusion.")

Domestic and Foreign Dividends Received (#)

Domestic and foreign dividends received consisted of:

- (1) dividends eligible for the dividend exclusion, which were dividends received from domestic corporations either directly or indirectly (e.g., as a beneficiary of income from estates or trusts, or as a partner for the taxpayer's distributive share of partnership profits), and
- (2) dividends not eligible for the dividend exclusion, which were dividends received from foreign corporations, tax-exempt farmers' cooperatives, tax-exempt organizations, certain trusts

that were in their final year, corporations most of whose business was conducted in U.S. possessions, dividends from real estate investment trusts, and dividends from regulated investment companies.

Domestic and foreign dividends did not include nontaxable distributions of stock or stock rights, returns of capital, or liquidation distributions. Taxpayers were also instructed to exclude so-called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions, which were to be treated as interest income; and patronage dividends declared by farmers' cooperatives and other cooperative organizations.

Earned Income Credit

This was a credit available to low-income workers who maintained a household and had a dependent child or children whom they claimed as exemptions. This credit was based on earned income, consisting of wages, salaries, and other employee compensation, plus net earnings from self-employment, and was intended to offset the impact of social security taxes on low-income individuals and to encourage them to obtain employment.

The maximum credit was 11 percent of the first \$5,000 of earned income, or \$550, and was reduced by an amount equal to 12.5 percent of the taxpayer's adjusted gross income or earned income, whichever was larger, above \$6,500. Thus, at the \$11,000 adjusted gross income level (or earned income level) the credit was eliminated. Taxpayers were required to reduce their earned income credit by the amount of their alternative minimum tax.

Taxpayers were eligible to claim the earned income credit if:

- (1) both AGI and earned income were less than \$11,000;
- (2) they maintained a household which was the principal place of abode for the taxpayer and a child or a descendant of the child;
- (3) they maintained their principal home in the United States;
- (4) they did not exclude from gross income any amount of income earned from sources outside the United States or from sources within U.S. possessions, or claim a deduction for certain expenses of living abroad;
- (5) they had a taxable year that represented a full 12 months; and
- (6) they filed a joint return if married.

The earned income credit could result in a refund to the extent it was not used to offset income tax liability. Thus, even if individuals were not otherwise required to file returns, it was to their benefit to do so in order to claim the earned income credit. For purposes of this report, the earned income credit was divided into three parts: that used to offset income tax before credits (limited to the amount needed to reduce income tax after credits to zero); that used to offset all other taxes (limited to the amount needed to reduce total tax liability to zero); and the refundable portion (See also "Advance Earned Income Credit Payments.")

### Employee Business Expenses

An employee was allowed a deduction in arriving at adjusted gross income for certain unreimbursed business expenses incurred in connection with any employment. These expenses were reported as an "adjustment" to income on the tax return and were separate from employee expenses treated as an itemized deduction. Expenses which qualified for the adjustment included:

- (1) cost of travel, meals, and lodging while away from home in the performance of services as an employee;
- (2) expenses to the extent covered by a reimbursement or expense allowance arrangement with the employer;
- (3) business transportation costs, other than commuting; and
- (4) outside salesperson's expenses of soliciting business for the employer.

If employees accounted for deductible expenses to their employers, they were not required to report the reimbursement in income, except for any amount of reimbursement in excess of expenses.

Certain expenses of employees, such as work clothes, union dues, and employment agency fees, were not deductible in the computation of adjusted gross income, but were deductible as itemized deductions in the computation of taxable income. These expenses were included in "miscellaneous itemized deductions."

### Estate or Trust Net Income or Loss

This was the beneficiaries' share of fiduciary income (with the exception of the items described below which were reported separately) from any estate or trust. Income from estates or trusts included amounts required to be distributed and amounts credited to beneficiaries' accounts from current-

year fiduciary income, whether or not actually received, plus any other amounts which were properly paid, credited, or required to be distributed for that year.

Also included was the beneficiaries' share of any accumulation distribution made in the current year by the fiduciary of a complex trust for income accumulated in prior tax years. Beneficiaries' share of these distributions was reduced by their share of depletion and depreciation deductions before reporting the net amount as part of adjusted gross income.

Taxpayers excluded from estate or trust income their share of dividends and gains or losses from sales of capital assets and other property. Such income (which made up the largest portion of income from an estate or trust) was included on the tax return on the separate lines provided for these income types and was not separately identified for the statistics. A loss from an estate or trust was allocated to the beneficiary only upon settlement or termination of an estate or trust which, for its last tax year, (a) still had a net operating loss carryover or a capital loss carryover, or (b) had deductions (other than those for exemptions and charitable contributions) in excess of gross income.

If a return showed net income from one estate or trust, and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and losses reported from all estates or trusts, i.e., the net amount, on a return-by-return basis.

### Estimated Tax Payments

This figure represented the total of the amounts paid quarterly and reported on the 1986 Declaration of Estimated Income Tax, Form 1040ES. The amount reported included any credit which was applied against the estimated tax by reason of an overpayment of 1985 tax liability. Individuals were required to make estimated tax payments if their estimated tax for Tax Year 1986 exceeded \$500 and they estimated that the total amount of income tax withheld would be less than 80 percent of their estimated 1986 tax, or 100 percent of their 1985 tax.

### Excess Itemized Deductions

This deduction concept represented the amount by which total itemized deductions exceeded the zero bracket amount. Since the zero bracket amount was built into the tax tables and the tax rate schedules, only "excess itemized deductions" (and not "total itemized deductions") was used in the calculation of taxable income. (See also "Zero Bracket Amount.")



Excess Social Security Taxes Withheld (#)

If a taxpayer received more than \$42,000 from two or more employers in 1986, too much social security (FICA) and Railroad Retirement Act (RRTA) tax may have been withheld from the wages. Amounts in excess of \$3,003 (\$2,791.80 for 1985) could be taken as a credit toward payment of the taxpayer's income tax. In the case of a joint return, the credit was computed separately for each taxpayer.

Exemptions (#)

In the computation of taxable income, a \$1,080 deduction was allowed for each exemption claimed.

An exemption was allowed for each taxpayer shown on a return (on joint returns the husband and wife were each regarded as a taxpayer). If either husband or wife filed a separate return, the spouse's exemption could be claimed on that return only if that spouse did not file a return, had no gross income, and was not the dependent of another taxpayer. Additional exemptions were allowed for a taxpayer or spouse who were age 65 or over, blind, or both.

Exemptions were also allowed for qualified dependents. In general, an individual qualified as a dependent if that person had gross income less than \$1,080 (\$1,080 or more if in category (2) below); received more than half of his or her support from the taxpayer, was related to the taxpayer (such as a son, daughter, or parent), or was a member of the household for the whole year; did not file a joint return with his or her spouse; and met certain citizenship requirements.

The total number of exemptions shown in this report includes some duplication. This occurred in the case of:

- (1) dependents other than children who had gross income less than \$1,080, but filed a return to obtain a refund of tax withheld on wages;
- (2) dependent children with unearned income of \$1,080 or more (dividends, interest, capital gains, and the like); and
- (3) dependent children under 19 years of age or students regardless of age who either (a) were required to file a return because their gross income was \$3,560 or more, or (b) had gross income of less than \$3,560, all of it earned income, and filed a return only to obtain a refund of tax withheld on wages.

In each of these instances individuals were counted twice, as taxpayers filing their own returns and as dependents on another taxpayer's return.

Farm Net Income or Loss (#)

This source of income was reported by individuals who were sole proprietors of a farm. When there were two or more farms operated by the same taxpayer, the single amount of profit or loss included in adjusted gross income represented the combined profit and loss from all farming activities.

Farm business costs and expenses were deductible from farm gross business receipts in arriving at farm net profit or loss. To the extent that prepaid farming expenses of a cash-basis farmer exceeded 50 percent of total nonprepaid farming expenses, amounts paid for feed, seed, and similar farm supplies could be deducted only as the supplies are used. Unlike Tax Year 1985, taxpayers could not claim deductions for land-clearing expenses in preparation for farming.

Excluded from farm net profit or loss were gains from certain sales of livestock and crops which qualified for capital gains treatment, as well as farm rental income. Gains from sales of livestock (other than poultry) qualified for capital gains treatment if the livestock had been held for 12 months or more (in the case of cattle or horses acquired after 1969 for 24 months or more), as long as livestock were held for breeding, dairying, or sporting purposes. Gains from sales of unharvested crops, when sold with the land on which they were growing, qualified for capital gains treatment if the land had been held for 12 months or more. For taxation purposes (and for purposes of this report), these types of income were included in long-term capital gains. On the other hand, farm rental income--that based on crops or livestock produced solely by the tenant, without material participation of the landowner or sublessor in the operation or management of the farm--was included in rent net income or loss.

Foreign Earned Income and Foreign Housing Exclusions

Taxpayers could exclude from gross income a certain amount of their foreign earned income and employer provided foreign housing expenses if their tax home was in a foreign country and they were either:

- (1) a U.S. citizen and a bona fide resident of a foreign country or countries for an uninterrupted period that included a tax year, or
- (2) a U.S. citizen or resident alien who was physically present in a foreign country or countries for at least 330 full days during any period of 12 consecutive months.

For 1986, qualified individuals continued to be limited to the lesser of an \$80,000



exclusion or their total foreign earned income. Also, they could elect to exclude a portion of employer-provided foreign housing expenses. If the taxpayer elected to take both the foreign earned income and foreign housing exclusions, the total amount of both exclusions was limited to the taxpayer's total foreign earned income.

The foreign earned income exclusion is not tabulated separately in SOI data, but is reported as a negative value in other income. (See "Other Income.")

#### Foreign Housing Deduction

Individuals qualifying for the exclusion of foreign earned income could deduct foreign housing amounts from gross income if their employer did not pay any of their housing costs or if they were self-employed. The housing deduction was limited to the amount that a taxpayer's foreign earned income exceeded the sum of their foreign housing exclusion and foreign earned income exclusion. Any excess housing deduction could be carried over to 1987, but only to the extent that the taxpayer's foreign earned income exceeded the sum of foreign earned income exclusion, housing exclusion, and housing deduction for that year.

#### Foreign Tax Credit

Individuals who had paid income or excess profit taxes to a foreign country or U.S. possession or any political subdivision, agency, or instrumentality of the country or possession, could claim this credit against income taxes. (The taxpayer had the option of reporting foreign taxes paid as an itemized deduction.) The credit was for the income and profits taxes paid and included the taxpayer's share of such taxes paid through partnerships, regulated investment companies, and fiduciaries. In general, the tax credit was limited to income tax after personal credits multiplied by the ratio of taxable income from foreign sources to the entire taxable income. The result - the foreign tax credit - could not exceed the foreign taxes paid. Qualifying foreign taxes paid in excess of the allowable amount for Tax Year 1986 could be carried back two years and then forward five years for use in computing the credit for those years. A taxpayer's credit could have been reduced if he or she participated in an international boycott. Additional information on foreign tax credits, foreign earned income, and foreign housing deductions is available in Statistics of Income Bulletin, Publication 1136, Summer 1987 issue.

#### Forfeited Interest Penalty Adjustment

Taxpayers who had paid penalties for the premature withdrawal of funds from time

savings accounts or deposits could deduct those penalties as an adjustment to gross income.

#### Fully Taxable Pensions and Annuities

This type of pension or annuity was obtained in connection with employment and was financed in whole (a non-contributory plan) by contributions of the employer. Since these pensions were paid entirely by an employer, the amount received by the employee was fully taxable. Additionally, fully taxable pensions and annuities included certain military retirement pay and IRA distributions. This amount was reported on line 16, Form 1040 (1986). (See "Pensions and Annuities.")

#### General Business Credit (#)

The general business credit consisted of the investment credit, the jobs credit, the alcohol fuel credit, the employee stock ownership plan (ESOP) credit, and two credits added by the Tax Reform Act of 1986 -- the low-income housing credit and the research credit. Also, as a result of the 1986 Act, the 10 percent investment credit was repealed for property other than qualified timber property and certain transition property placed in service after 1985.

Taxpayers claiming more than one of the business credits were required to summarize them on a Form 3800, General Business Credit. The adjusted tax liability limitations for the combined credits were determined on the Form 3800. The general business credit was limited to 100 percent of the first \$25,000 and 75 percent (down from 85 percent in 1985) of the excess over \$25,000. The limit was \$12,500 in the case of a married couple filing separately. If, however, one spouse had no current credit or unused credit, the spouse having a current credit or unused credit may have used the full \$25,000 figure in determining his or her credit.

If the current year general business credit exceeded the tax liability limitation and could not be entirely used for Tax Year 1986, the excess amount could be carried back to the three preceding tax years. Any unused credit after carryback, could be carried forward to each of the 15 years after the year of the credit. Additionally all carryforwards of the business credits were added together and reported on Form 3800. Otherwise, taxpayers claiming a single credit did not have to file Form 3800 and were only required to use the appropriate form for the particular credit or credit carryforward.

#### Heads of Households, Returns of

These returns were filed by "unmarried" persons who furnished over half the cost of maintaining a household for more than six

months for at least one qualifying relative. Unmarried persons, for purposes of this classification, were defined as single persons, married persons legally separated, certain married individuals living apart but not legally separated, or persons married to non-resident aliens.

"Qualifying" relatives, such as children, parents, brothers, and sisters, generally had to qualify as the taxpayer's dependents and actually had to live with the taxpayer. There were two exceptions to this rule. Parents of the taxpayer had to be dependents, but did not have to live in the same household; children of the taxpayer did not have to be dependents, but did have to reside in the same household as the taxpayer. Taxpayers had to maintain a household for a full year for dependent parents living apart.

A special tax rate schedule was provided for heads of households which gave a portion of the benefits for lower rates accorded joint returns.

#### Home Mortgage Interest Deduction

See "Interest Paid Deduction."

#### Income Averaging (#)

Certain taxpayers with unusual fluctuations in income were able to reduce the tax in higher income years by using income averaging. The standard income averaging computation permitted a part of an unusually large amount of taxable income for any one year to be taxed at a lower rate (i.e. changed the effective bracket or tax rate), thus resulting in a lower amount of tax due than would have resulted if the taxpayers had computed their tax using the regular tax computation method.

An eligible individual could choose this computation if the "averageable income" for the year was more than \$3,000. "Averageable income" was the amount by which "adjusted taxable income" (taxable income for the computation year) exceeded 140 percent of the average "base period income" (the average of taxable income, with certain other adjustments for the three preceding tax years).

Briefly, the income averaging computation operated to tax all averageable income at the same rate which applied to the first one-fourth of such income. "Adjusted taxable income," from which the "averageable income" was derived covered all income except "excess community property income" and certain amounts received by owner-employees. "Base period income" included taxable income and income earned outside the United States or within U.S. possessions which had been excluded from taxation under the IR Code.

To be eligible to use the income averaging method taxpayers had to meet citizenship or

residence tests. Taxpayers claiming the foreign earned income exclusion or deduction or those excluding income from sources within the U.S. possessions, the Virgin Islands, Guam, or Puerto Rico could not use the income averaging method.

For 1986, individuals could not average their income if they were a full-time student during any base period year unless they filed a joint return in the computation year and their income in the computation year was not more than 25 percent of total AGI on the joint return.

#### Income Subject to Tax

For taxpayers filing Tax Year 1986 returns and using the regular computation method, income subject to tax was the same as taxable income (adjusted gross income less the personal exemption amount and excess itemized deductions or the contributions deduction for non itemizers).

For taxpayers using the income averaging method, income subject to tax was a reduced amount of taxable income which was specially computed for the statistics by working backward from the tax itself. For taxpayers filing returns from prior years income subject to tax was adjusted for the statistics by working backward from the tax itself.

#### Income Tax After Credits

To arrive at income tax after credits, taxpayers deducted total personal credits (line 44, Form 1040) from income tax before credits (line 40, Form 1040). If the result was greater than zero, the foreign tax credit, and the general business credit, (the sum of the research and experimentation credit, the jobs credit, the credit for alcohol used as a fuel, the low-income housing credit, and the employee stock ownership plan credit), were then deducted from the residual to arrive at income tax after credits.

The portion of the earned income credit which did not result in a negative amount is tabulated as "earned income credit used to offset income tax before credits." (See also "Total Personal Credits" in this section.)

#### Income Tax After Personal Credits

For Tax Year 1986, this amount represented the deduction of "total personal credits" from "income tax before credits."

#### Income Tax Before Credits

This amount consisted of two components: "tax generated" or "taxes from income averaging" plus "taxes from special tax computations." Generally, "tax generated" was the tax liability computed on current-year "taxable income" based on:



- (1) the regular tax, whether derived from the tax tables or tax rate schedules; or
- (2) the income averaging tax.

(See also "Tax Generated" and "Taxes from Income Averaging.")

#### Income Tax Withheld

An employer could use either of the major methods of withholding--the "percentage" method, the "wage bracket" method, or an authorized alternative method. All the major methods of withholding were based on graduated rates ranging from 12 to 37 percent. Similarly, the result of any alternative method had to approximate the same amount as computed under one of the major methods.

Income tax withheld included amounts deducted from salaries, wages, tips, and other forms of remuneration as reported on Form W-2; from pensions and annuities, and certain gambling winnings as reported on Form W-2P and W-2G respectively. Amounts withheld for distributions from profit-sharing, retirement plans, and individual retirement arrangements had withholding reported on Form 1099-R.

Also, a backup withholding rate of 20 percent was required to insure that income tax was collected from payments generally not subject to withholding. The purpose of this measure was to insure that certain taxpayers who failed to report or correctly report certain kinds of tax information paid an adequate withholding amount.

#### Individual Retirement Arrangement (#)

An Individual Retirement Arrangement (IRA) is a savings program that allows a taxpayer to set aside money for retirement. An individual could establish an IRA at a bank or other qualified financial institution, or by investing directly in individual annuity contracts issued by an insurance company. Contributions to such a plan were limited to the lesser of:

- (1) an individual's compensation for the year;
- (2) \$2,000 (\$2,250 if a nonworking spousal IRA was created); or
- (3) the amount actually paid.

Such contributions could be deducted from the employee's gross income in arriving at adjusted gross income. Unless they were disabled, taxpayers could not start withdrawing funds from the account until they reached age 59-1/2 and had to start doing so upon reaching age 70-1/2. Penalty taxes were assessed in the event the taxpayer failed to comply with these limitations.

Individuals could set up an IRA to include a nonworking spouse. To qualify the following conditions must have been met:

- (1) the individual must have been married at the end of the tax year;
- (2) they must have met the IRA requirements discussed earlier;
- (3) they must have filed a joint return;
- (4) the spouse must not have received any compensation during the tax year; and
- (5) the spouse must have elected to be treated as if having no compensation by allowing a spousal IRA deduction on the joint return.

Only IRA contributions made before the due date of the return were deductible.

#### Interest Paid Deduction

Interest paid on personal debts, credit cards, mortgages, bank loans, and installment purchases of real or personal property was deductible, but interest paid on money borrowed to buy tax-exempt securities or single premium life insurance and endowment contracts was not. The amounts deductible as an interest expense included "investment interest" (that amount paid or accrued on indebtedness incurred, or continued, to purchase or carry property held for investment) as reported on Form 4952, Investment Interest Expense Deduction, subject to the limitations prescribed in the law. Interest relating to business, royalty, and rental income was deducted directly from these items and was, therefore, not reflected in the interest paid statistics.

For installment purchases, interest paid included amounts stated in the contract, certain unstated amounts of interest, and finance charges.

#### Interest Received

This amount was the taxable portion of interest received from bonds, debentures, notes, mortgages, certain insurance policy proceeds, personal loans, bank deposits, savings accounts, tax refunds, U.S. savings bonds, and money-market funds. Taxpayers were also instructed to include so called dividends on deposits or withdrawable accounts in mutual savings banks, cooperative banks, savings and loan associations, and credit unions. Excluded was most interest on State or local government obligations. Such interest was tax-exempt and, therefore, did not have to be reported on the tax return. If interest on accounts frozen by insolvent financial institutions was not received during the tax year, it was also excluded from income.



Investment Credit (#)

The Tax Reform Act of 1986 repealed the investment credit for most property put in service after December 31, 1985. A taxpayer could not claim any investment credit unless the property was:

- (1) Transition property
- (2) Qualified progress expenditure property
- (3) Qualified timber property
- (4) Certain rehabilitation property
- (5) Business energy property

This meant that a taxpayer could no longer claim investment credit on property such as automobiles, delivery trucks, office equipment, and farm equipment.

The investment credit was claimed as one of the components of the general business credit and was subject to the net tax liability limitation thereof. Total investment credit was the sum of: (1) the regular investment credit, (2) the rehabilitation investment credit, and (3) the business energy investment credit.

The regular investment credit rate was 10 percent of the "qualified investment" in certain new and used depreciable assets (numbers 1 through 3 above) with a useful life of three years or more. The "qualified investment" was determined by the cost of the property, taking into account the length of the property's intended life and whether the property was new or used.

For qualified rehabilitation structures, there were three credit rates, namely:

- (1) 25 percent for expenditures of certified historical structures;
- (2) 20 percent for expenditures of 40-year old buildings; and
- (3) 15 percent for expenditures of 30-year old buildings.

The business energy investment credit could be claimed against qualified biomass property, hydroelectric generating property, solar equipment, ocean thermal equipment, and geothermal equipment at rates of 10, 11, 12, 15, and 10 percents, respectively. For Tax Year 1986, the business energy investment credit was combined with the regular investment credit and limited to 75 percent of tax liability over \$25,000.

Itemized Deductions

See "Total Itemized Deductions," and specific types.

Jobs Tax Credit (#)

For Tax Year 1986 the jobs tax credit was claimed as one of the components of the general business credit and was subject to the net tax liability limitations thereof. This tax credit could be elected by employers who hired individuals from certain targeted groups.

The credit was limited to 40 percent of the first \$6,000 in qualified first year wages paid to eligible individuals who began work after January 1, 1986. The employee must have been employed for a minimum of a 90-day period between May 1 and September 15. A credit of 85 percent of first year wages up to \$3,000 were paid to qualified summer youth employees (with a 14 day or 20 hour minimum employment requirement).

Employee targeted groups were:

- (1) handicapped individuals referred by vocational rehabilitation programs;
- (2) economically disadvantaged Vietnam-era veterans;
- (3) economically disadvantaged youths between 18 and 24 years of age;
- (4) recipients of supplemental social security income benefits;
- (5) recipients of general assistance;
- (6) economically disadvantaged youths between 16 and 19 years of age participating in a qualified cooperative education program;
- (7) certain economically disadvantaged ex-convicts;
- (8) eligible work incentive employees; and
- (9) qualified summer youth employees.

In addition to being employed as a member of a group that was certified as a specified targeted group, the employee could not be a relative or dependent of the employer. More than half of the qualified wages received had to be income from working in the employer's trade or business. Those wages received from a Federally funded, on-the-job training program or payments from the Social Security Act did not qualify for the credit.

Any unused jobs credit could be carried back three years then forward fifteen years until it was used up.

Joint Returns of Husbands and Wives

These were returns of married taxpayers electing the joint return filing status. The income of each spouse had to be reported on these returns.

A married couple could not elect to file a joint return if: (1) their tax years began on a different date, or (2) they were separated under a decree of divorce or separate maintenance on the last day of the tax year.

### Marital Filing Status

The five marital filing status classifications were:

- (1) joint returns of husbands and wives;
- (2) separate returns of husbands and wives;
- (3) returns of heads of households;
- (4) returns of surviving spouses; and
- (5) returns of single persons (not heads of households or surviving spouses).

Marital status was usually determined as of the last day of the taxable year. If one spouse died during the tax year, the other was considered married for the entire year. If a taxpayer was divorced during the tax year and did not remarry, the taxpayer was considered to be unmarried for the entire year. Each of the above classifications is defined under a separate heading in this section.

### Medical and Dental Expense Deduction

In general, medical and dental expenses could be claimed as itemized deductions to the extent that they exceeded 5 percent of adjusted gross income. Amounts paid for medicine and drugs or insulin were deductible only if they were prescribed. Taxpayers could also deduct a maximum of \$50 per day for certain lodging expenses incurred for medical care. Qualified medical expenses included payments made for the diagnosis, treatment, or prevention of disease.

### Miscellaneous Deductions

Taxpayers were allowed to deduct certain specified nonbusiness deductions from adjusted gross income for which separate categories were not provided on the Schedule A.

Miscellaneous deductions included deductible employee expenses (for example, dues to professional societies, union dues, employment related education expenses, employment agency fees, and subscriptions to professional journals); deductible income producing expenses (for example, collection fees for interest or dividends, investment counsel fees); gambling losses not in excess of gambling winnings; certain business use of a home computer; certain legal and accounting fees; tax preparation fees; and qualified adoption expenses.

### Modified Taxable Income (#)

Modified taxable income is the technical term used to describe the actual base computed for the statistics. For taxpayers using the regular tax computation method, modified taxable income is identical to taxable income. However, for taxpayers who used the income averaging computation, a modified taxable income was computed for the statistics. This was done by imputing a hypothetical taxable income amount necessary to yield the given amount of tax reported, using the tax rate schedule, as if income averaging had not been used.

### Mortgage Interest Credit (#)

As a result of the Tax Reform Act of 1984, state and local governments may issue mortgage credit certificates (MCCs) to be used in connection with the acquisition, qualified rehabilitation, or qualified home improvement of your principal residence. A qualified MCC entitled a taxpayer to claim a credit against federal income tax and the certificate specified the amount of the debt that qualified for the credit and the credit's percentage rate (10 percent to 50 percent).

The credit was figured by multiplying the interest paid on the debt during the year by the credit's percentage rate. If the credit's percentage rate exceeded 20 percent, the maximum allowable credit was \$2,000 a year. Taxpayers had to reduce their Schedule A itemized deduction for interest expense by the amount of the credit.

### Moving Expense Adjustment

An employee (with the exception of members of the armed services) who had to move to a new residence as a result of changing jobs could deduct from gross income certain reasonable expenses for moving and house hunting. For employees to qualify for this deduction, the new job location had to be at least 35 miles farther from the former residence than the old job was. Retirees could deduct moving expenses for a move to a new home in the United States when they permanently retired if both their former main job location and home were outside the United States. In addition, the employee had to work full time for at least 39 weeks of the 12 months after the move. Self-employed individuals had to work full time for at least 78 weeks during the first 24 months to be eligible for this deduction.

Deductible expenses included those incurred from moving household goods and personal effects; and travel, meals, and lodging of the taxpayer and household members en route to the new residence. There were no dollar limita-



tions for these expenses. Other allowable expenses, subject to a \$3,000 limitation, included house-hunting trips, cost of meals, lodging in temporary quarters for up to 30 days, and costs related to settlement of an unexpired lease or acquisition of a new lease, or selling of a residence and purchase of a new residence.

### Nontaxable Returns

See "Taxable and Nontaxable Returns."

### Other Income

Included here were such items as prizes, awards, sweepstakes winnings, gambling profits, recoveries of bad debts, insurance received as reimbursement for medical expenses taken as a deduction in a previous year, repayment of real estate taxes deducted in an earlier tax year if they reduced tax, free tours received from travel agencies, Veterans Administration rehabilitative program payments, Alaskan oil royalties, payments by a union to unemployed members, certain life insurance payments and any other income subject to tax for which there was no specific line provided on the return form. Taxpayers were required to apply any deduction for carryovers or carrybacks of business net operating losses against "other income." The foreign earned income exclusion was included in the calculation to reduce other income.

### Other Tax Credits

"Other tax credits" is used as a residual category in the statistical tables and does not relate to a line item on a tax form. The two credits included in "other tax credits" were the "orphan drugs credit" and the "credit for fuel from a nonconventional source". The category included, in general, only those statutory credits which were used to offset income tax before credits and could not be identified as one of the following:

- research and experimentation credit,
- child care credit,
- investment credit,
- foreign tax credit,
- jobs credit,
- political contributions credit,
- residential energy credit,
- general business credit,
- elderly and permanently and totally disabled credit (credit for the elderly), and
- mortgage interest credit.

### Other Taxpayments

"Other taxpayments" included the "throwback tax credit" allowed trust beneficiaries for

certain taxes previously paid by the trust, and any other unidentified amounts that could not be allocated to one of the specified tax-payment items. Other tax credits, to the extent that they were in excess of total tax liability and were refundable, were also included in other taxpayments.

### Overpayment

An overpayment of tax occurred when the "taxpayments" exceeded "total tax liability," including the amount of any "refundable portion of the earned income credit." Overpayments could be refunded; or, at the taxpayer's election, taken as a credit on the subsequent year's estimated tax; or taken partly as a refund and partly as a credit against estimated tax. (See also "Credit on 1987 Estimated Tax" and "Refund.")

### Overpayment of Windfall Profit Tax

This excise tax was imposed on producers of crude oil, but the tax was withheld and reported to the Internal Revenue Service by the first purchaser of such oil. If the tax was over withheld in the course of the year, the producer could claim a refund on his or her income tax return.

The overpayment could be due to two possible reasons. First, whenever withholding errors occurred, a refund of the amounts over withheld could be claimed by filing a Form 6249, Computation of Overpaid Windfall Profit Tax, with the Form 1040. And second, any over withholding due to the net income limitation could also be claimed on the Form 6249.

The two types of overpayment were combined and carried over to the Form 1040 and entered in the margin of the taxpayments section. For purposes of this report overpayment of windfall profit tax was reported as a separate item.

### Partnership Net Profit or Loss

Partnership net profit or loss was reported by persons who were members of a partnership, syndicate, joint venture, or unincorporated association. The taxpayer's profit or loss shown in SOI data was his or her share of the ordinary gain/loss of the enterprise and certain payments made to the taxpayer for the use of capital or as a salary. If the individual was a member of more than one partnership, the single amount of partnership profit or loss reported in adjusted gross income, whether actually received or not, was the net result of all shares.

One of the deductions from partnership gross income, the Section 179 property expense deduction could not be determined for Tax Year 1986 due to a change in the design in 1985, of Schedule E (Supplemental Income Schedule). The new design resulted in the merging of



Section 179 property expense deductions from partnerships with Subchapter S corporations. The 179 property expense deduction covers certain qualifying depreciable business assets which could have been treated as an expense.

If a return showed net income from one partnership and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and loss reported from all partnerships; i.e., the net amount, on a return-by-return basis.

Additional information for partnerships can be found in the Statistics of Income Bulletin, Publication 1136, Summer, 1988.

#### Payment with Request for Extension of Filing Time

This payment was made when the taxpayer filed Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return or Form 2688, Application for Additional Extension of Time to File. The extension gained the taxpayer either a four or six month extension of time to file Form 1040 or 1040A. The application did not extend the time for payment of expected tax since full payment of any tax due had to be made with the application for extension. When taxpayers filed their Form 1040 or 1040A, they entered the amount paid with Form 4868 or Form 2688 to determine any tax still due or any overpayment of tax.

#### Penalty Tax on Individual Retirement Arrangements

Taxpayers could start withdrawing funds from an Individual Retirement Arrangement if they were disabled or after reaching age 59-1/2, and had to start doing so after reaching age 70-1/2. Withdrawals prior to reaching age 59-1/2 were subject to a penalty tax equal to 10 percent of the premature distribution unless the individual was disabled. Failure to withdraw funds after reaching age 70-1/2 resulted in the taxpayer's paying a 50-percent excise tax on the amount by which the minimum required distribution exceeded the distributions actually received by the individual during the year. Contributions to the retirement arrangement in excess of the legal limitation for the year (the lesser of \$2,000 or the taxpayer's compensation for the year) were subject to an excise tax equal to six percent of the excess contribution. (See also "Individual Retirement Arrangement.")

#### Pensions and Annuities (#)

Generally, pensions represented periodic income received after retirement and made in

consideration of past services with an employer, while annuities were income payable at stated intervals in consideration of a specific premium. A taxpayer could acquire a pension or annuity either by purchase from a commercial organization (usually life insurance, endowment, or annuity contracts) or under a plan or contract connected with the taxpayer's employment. Those pensions or annuities obtained in connection with employment could be purchased entirely by the taxpayer or could be financed in part (a contributory plan) or in whole (a non-contributory plan) by contributions of the employer.

Since a non-contributory pension was one paid for entirely by an employer, the amount received by the employee was fully taxable. This fully taxable pension was reported on line 16, "Fully taxable pensions and annuities," of Form 1040 rather than on line 17a, "Other pensions and annuities."

For the taxpayer who participated in a contributory retirement plan while employed, the amount received was only partially taxable. In general, the amount excludable from gross income, the nontaxable portion, represented the taxpayer's contributions under the plan, while the taxable portion represented the employer's contribution. (In the case of a survivor beneficiary of a deceased employee, a death benefit exclusion of up to \$5,000 could be excluded in addition to the deceased employee's contribution.) The entire amount of pensions received for the year was reported on line 17a, "Other pensions and annuities, including rollovers" of the Form 1040, with the taxable portion being computed on a separate worksheet and entered on line 17b, "Taxable amount."

The "three-year rule" which permitted an employee to exclude qualified retirement annuity payments from income until the employee had recovered the amount contributed to the plan, was no longer available after July 1, 1986. The employee was required to report payments under the general rule which provided that the nontaxable portion be amortized over the expected lifetime of the taxpayer.

#### Political Contributions Credit

An individual taxpayer was allowed to take a credit against income tax for political contributions paid during the year. These political contributions could be to a candidate or candidates for election to a Federal, State, or local office, in a primary, general, or special election; a political campaign committee; a newsletter fund; or a national, State or local committee of a national political party. The credit equaled 50 percent of the amount contributed, limited to \$50 (\$100 on a joint return).

Refund

A refund of tax included all overpayments of taxes not applied by the taxpayer as a credit to the next year's estimated tax. (See also "Overpayment.")

Regular Tax Computation

Typically, the taxpayer, in determining "tax generated," first computed taxable income. Depending on marital status and size of taxable income, the taxpayer then used the tax tables or applied rates from one of three tax rate schedules to determine tax. In some instances, the taxpayer requested the Internal Revenue Service to compute the tax. Returns of all such taxpayers are classified under the regular tax computation method. In addition, current year returns of taxpayers whose taxable income was greater than zero, but less than or equal to the zero bracket amount, were also shown as having a regular tax computation. For these returns, no "tax generated" is shown.

Rent Net Income or Loss

Rent net income or loss constituted a part of adjusted gross income and was determined by deducting from gross rent, amounts for depreciation, repairs, improvements, interest, taxes, commissions, advertising, utilities, insurance, janitorial services, and any other allowable expenses related to the rented property. If a taxpayer used the rental property as a residence, rental expenses were limited to rental income.

Research and Experimentation Credit (#)

This credit was established to encourage businesses to increase the amounts spent on certain qualified research and experimentation. The credit was equal to 20 percent (25 percent prior to 1986) of the amount by which the qualified expenses for the year exceeded the average qualified expenses during the three years preceding the year for which the credit was taken. If the taxpayer had been in business less than three years special rules existed for imputing prior year research and experimentation expenditures on which to base the credit. Qualified expenses included: wages, cost of research supplies, payment to others for the use of computer time, and 65 percent of qualified research expenses performed under a contract.

The credit applied to research in the experimental or laboratory sense. It excluded research in the social sciences or humanities, or the part funded by any grant or contract by another person or government entity. In addition, to be eligible, the research had to have taken place within the United States.

This credit was extended through calendar year 1988. It was redesignated as a general business credit and was subject to the general business credit tax liability limitations.

Residential Energy Credit (#)

In order to reduce energy consumption and to encourage the development and use of alternative energy sources, a residential energy credit was available to taxpayers. The credit was made up of two separate parts, one based on qualified "energy conservation expenditures" and the other on qualified "renewable energy source expenditures," with different requirements for each type of qualifying expenditures. The entire residential energy credit was available for qualified items installed in or on the taxpayer's principal residence from April 20, 1977, through December 31, 1985.

The credit for energy conservation property was 15 percent of the first \$2,000 of expenditures, including original installation costs, with a maximum credit of \$300 per residence over the entire period the credit was to be in effect. This credit could only be taken if the residence was completed by April 20, 1977 and the residence was in the United States.

Qualifying energy conservation property included the following items:

- (1) insulation designed to reduce the heat loss or gain of a home or water heater,
- (2) storm or thermal windows or doors for the outside of the home,
- (3) caulking or weatherstripping of outside doors or windows,
- (4) clock thermostats or other automatic energy saving setback thermostats,
- (5) furnace replacement burners, ignition systems that replace a gas pilot light, and flue opening modifications, and
- (6) meters that show the cost of energy use.

The credit for renewable energy source property was 40 percent of the first \$10,000 of expenditures, including labor costs for on-site preparation, assembly, or original installation, with a maximum credit of \$4,000 per residence over the entire period the credit was to be in effect.

The renewable energy source property had to be new, and expected to remain in operation at least five years. Renewable energy source property included the following items:

- (1) solar energy property for heating or cooling the home or for providing hot



water or electricity for use in the home,

(2) wind energy property for generating electricity or other forms of energy for home use, and

(3) geothermal energy property for heating or cooling the home or for providing hot water for use in the home.

The residential energy credit could not be claimed for energy saving items or renewable energy source property installed after 1985. However, unused credits from prior years could be carried forward.

#### Royalty Net Income or Loss

Net royalties consisted of gross royalties less deductions for depletion, depreciation, office rent, legal fees, clerical help, interest, taxes, and similar items. Gross royalties included revenues from oil, gas, and other mineral rights; revenue from patents; and revenue from literary, musical, or artistic works. Certain royalties received under a lease agreement on timber, coal, and domestic iron ore were eligible for capital gains or ordinary loss treatment under IR Code Section 1231, and, as a result of the separate computation required by that section, are reflected in the statistics for "sales of capital assets" and "sales of property other than capital assets."

#### Salaries and Wages

Salaries and wages as reported on the tax return were amounts of compensation primarily for personal services. The following items were included:

- commissions,
- bonuses,
- tips,
- fees,
- excess reimbursement over employee business expenses,
- moving expense allowances,
- employer's payments to a nonqualified pension plan,
- the difference between the fair market value of certain property and the discount price for which it was purchased by a taxpayer from his employer,
- severance pay,
- sick pay,
- the employee's portion of social security tax when paid by an employer,
- exercising a stock appreciation right,
- vacation allowances,
- payments received as the result of winning some legal suits,
- most disability payments,

- certain group-term life insurance premiums paid by an employer,
- strike and lockout benefits,
- certain meals or lodging, and
- the value of non-monetary payments for services (e.g., merchandise, accommodations, certain meals or lodging, certain stock purchase plans, or property).

Identifiable amounts for any of these categories which may have been reported by taxpayers as "other income" were treated as salaries and wages for the statistics.

#### Sales of Capital Assets Net Gain or Loss

In general, capital assets for tax purposes included all property held for personal use or investment. Examples of such assets were personal residences, furniture, automobiles, and stocks and bonds. Assets used in the normal course of business activities, such as inventory held for sale during the ordinary conduct of business, and depreciable or real property held for sale or used in a trade or business, were specifically excluded from treatment as capital assets.

In addition, net gains from the disposition of certain types of property which were not classified as capital assets were treated as capital gains under IR Code Section 1231. These included property used in business, such as buildings and machinery, and also certain specific types of assets such as livestock, cut timber, coal, domestic iron ore and timber royalties, and unharvested crops sold with the land, if the land was held for more than six months.

On the other hand, all or a portion of net gains from some types of property included under the definition of capital assets could be denied capital gains treatment under certain other sections of the IR Code. Generally, these sections denied capital gains treatment to gains that resulted from using the asset in a trade or business.

The following concepts were used in the computation of net capital gain or loss for the purposes of this report:

Net short-term gain or loss--These were gains and losses from the sales or exchanges of capital assets held for six months or less. Short-term gains or losses from current year sales were combined with any short-term capital loss carryover, any net short-term gain or loss received from partnerships, S corporations, or fiduciaries, gains from the sale or exchange of a principal residence held six months or less, and gains from installment sales.

Net long-term gain or loss--These were gains and losses from sales or exchanges of capital assets held for more than six months. Long-



term gains and losses were eligible for special tax treatment (see "Net capital gain" below). To obtain the net long-term gain or loss, gains or losses for which taxpayers received Forms 1099-B (stocks, bonds, etc.) were combined with:

- (1) net long-term gain or loss received from partnerships, fiduciaries, or S corporations,
- (2) capital gain distributions of regulated investment companies (mutual funds) and real estate investment trusts,
- (3) long-term capital loss carryover from prior years,
- (4) gains and losses from sales or exchange of assets used in a trade or business and involuntary conversions,
- (5) gains from the sale or exchange of a principal residence held more than six months, and
- (6) long-term capital gains from installment sales.

Short-term capital loss carryover--This carryover equaled that portion of short-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Long-term capital loss carryover--This carryover equaled that portion of long-term capital loss incurred, but not deducted, in a previous tax year because of the limitation to net capital loss claimable, as discussed below under "Net capital loss."

Net capital gain--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a positive amount, the taxpayer had a net capital gain. For taxpayers with long-term capital gains the actual amount shown as net capital gain (and thus carried into adjusted gross income) was computed by first subtracting short-term capital losses (if any), and then subtracting 60 percent of the remaining amount. Short-term capital gains, on the other hand, were always fully includable in net capital gain.

Net capital gain also included capital gain distributions which would have been reported on Schedule D, Capital Gains and Losses, except for the provision that taxpayers who had no other gains or losses could simply enter the portion of capital gain distributions included in adjusted gross income on line 14 of Form 1040. These distributions were always considered to be long-term capital gains. The statistics include a separate tabulation of capital gain distributions not reported on

Schedule D (Capital Gains and Losses and Reconciliation of Forms 1099-B).

Net capital loss--If the combination of net short-term gain or loss and net long-term gain or loss resulted in a negative amount, the taxpayer generally showed a net capital loss. In many cases, however, the actual amount included in net capital loss (and thus carried into adjusted gross income) was less than the computed combined amount. For taxpayers with long-term capital losses, only 50 percent of such losses (reduced by any short-term capital gains) was includable in net capital loss.

After this reduction, net capital loss was further limited to the lesser of (a) net capital loss, (b) taxable income (computed without regard to capital loss or zero bracket amount), or (c) \$3,000 (\$1,500 for married persons filing separately).

Amounts of capital losses in excess of the above limitations, whichever was applicable, could be carried over to subsequent tax years.

#### Sales of Property Other Than Capital Assets Net Gain or Loss

Property other than capital assets generally included property of a business nature, in contrast to personal and investment property which were capital assets. Some types of property specifically included in this group were:

- (1) certain depreciable, depletable, and real business property;
- (2) accounts and notes receivable in the ordinary course of business generated from the sale of goods and services ordinarily held for sale by the business or includable in the inventory of the business;
- (3) certain copyrights; literary, musical, or artistic compositions; or similar properties;
- (4) any share of gain or loss that otherwise qualified under this heading and was received through partnerships, S corporations or fiduciaries; and
- (5) amounts resulting from certain "involuntary conversions," including net losses from casualty and theft.

Gains from the disposition of some property types not considered to be capital assets could be treated as capital gains under certain conditions. Conversely, under certain other conditions gains from the disposition of some property types considered to be capital gains could be denied capital gains treatment. Taxpayers reported all gains and losses not receiving capital gains treatment on Form

4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions.

### S Corporation Net Profit or Loss

Net income from a qualified S corporation (defined in Section 1361 of the IR Code) was taxed directly through each stockholder. Net losses were allocated to each stockholder to be offset against income from other sources.

S corporation income shown in this report was the amount taxable to stockholders as ordinary income. Net long-term capital gain, reduced by the special tax imposed at the corporate level, retained its character in the hands of the stockholders and is included in the statistics for net gain or loss from sales of capital assets. Undistributed income earned in previous years was taxable to stockholders in the year it was earned and could be distributed during the current year without any further tax.

If a return showed net income from one S corporation and a net loss from another, that return was tabulated in both the "total income" and "total loss" columns. The columns labeled "net income" and "net loss" represent the sum of all income and loss reported from all S corporations; i.e., the net amount on a return-by-return basis.

Additional information on S Corporations can be found in Statistics of Income--Corporation Income Tax Returns, 1985.

### Self-Employed Retirement (Keogh) Plan Adjustment

The tax law allowed self-employed individuals to contribute to a qualified retirement plan (Keogh or H.R. 10 plan) and deduct all or a part of such contributions in computing adjusted gross income. The amount which could be deducted was based on earned income. For self-employed persons participating in simplified employment pensions (SEPs) compensation could not include amounts received as deferred compensation or as a pension or annuity. Thus, earned income was defined as:

- (1) net earnings from self-employment, but only with respect to a trade or business in which personal services of the taxpayer were a material income-producing factor, and
- (2) income from the disposition of certain property by individuals whose personal efforts created the property, excluding capital gains.

Additionally, the maximum amount of the annual deduction was the lesser of \$30,000 or 25 percent of the participant's compensation.

### Self-Employment Tax (#)

This tax, levied under the Social Security system, was reported by most individuals who had self-employment earnings of at least \$400 derived from a sole proprietorship or from any share of partnership profits. In the case of individuals who were paid as an employee of a church or qualified church controlled organization that had in effect a certificate electing exemption from social security taxes, they were required to pay self-employment tax if they had remuneration of \$100 or more. Ministers or members of certain religious orders could elect not to be covered by social security if they opposed social insurance on religious principle.

U.S. citizens employed by foreign governments or international organizations were not subject to self-employment tax on salaries. Certain types of income and deductions such as investment income, capital gains and losses, deductions for net operating losses, and casualty and theft losses were not allowed in computing self-employment earnings.

The maximum amount subject to self-employment tax for 1986 was \$42,000, reduced by any wages on which social security tax had been withheld by any employer. The maximum self-employment tax payable was \$5,166, based on the 12.3 percent rate in effect for that year. For 1985, the rate was 11.8 percent with the maximum amount of earnings being \$39,600 and the maximum tax, \$4,672.80.

### Separate Returns of Husbands and Wives

Generally, these were returns of married persons, each of whom filed a return independently of his or her spouse and reported only his or her own income, exemptions, and tax. Also included were returns of married persons where only one spouse had income, but elected to use this classification.

If only one spouse filed a separate return, the other spouse's exemption could be claimed on that return, but only if the spouse who was not filing had no gross income and was not the dependent of another taxpayer.

### Single Persons, Returns of

These were returns of (a) unmarried persons who did not qualify as head of household or surviving spouse, or (b) certain married individuals living apart from their spouses who maintained a home, independently of the spouse, that was the home of the individual's child or stepchild (who could be claimed as a dependent) for more than 6 but less than 12 months of the year.

### Size of Adjusted Gross Income

The amount of adjusted gross income reported by the taxpayer on the return was the basis



for classifying data by size of adjusted gross income. Returns without positive adjusted gross income, such as deficit returns or returns on which income and loss were equal, were classified as having no adjusted gross income and appear as a separate class in most basic tables. The absence of a class labeled "no adjusted gross income" indicates that any deficit or break-even returns in a table were included in the lowest income class.

#### Social Security Taxes on Tip Income

This amount consisted of social security tax on unreported tip income and uncollected employee social security tax on tips.

Cash tips amounting to \$20 or more that the taxpayer received in a month while working for any one employer were subject to withholding of income tax, social security tax, or railroad retirement tax. Cash tips counted toward social security and railroad retirement benefits and an employee was required to report these tips to the employer; the employer then withheld the social security tax or railroad retirement tax. However, if the employer was unable to withhold the amount of social security tax or railroad retirement tax, the amount of uncollected social security tax or railroad retirement tax on tips was indicated on the employee's Form W-2, and the taxpayer was required to report the uncollected tax and pay it with the Form 1040.

If the employee did not report the tips to the employer, the employee was required to compute the social security tax on unreported tips on Form 4137 and attach it to Form 1040.

#### State Income Tax Refunds

These amounts represented that part of a refund of State income tax attributable to itemized deductions taken in a prior year that resulted in a Federal tax benefit. Taxpayers were instructed not to net the refundable amount against the current year's itemized deduction for State and local income tax.

#### Statutory Adjustments

These were certain adjustments to gross income allowed as deductions in arriving at adjusted gross income. Statutory adjustments consisted of the moving expense deduction, employee business expense deduction, payments to a self-employed retirement (Keogh) plan, forfeited interest penalty, payments to an individual retirement arrangement (IRA), alimony paid, the two-earner married couple deduction, and the foreign housing deduction. Each of the above is described in this section. In addition, statutory adjustments included the forestation/reforestation amortization deduction and the repayment of supplemental unemployment benefits under the Trade Act of 1974.

#### Surviving Spouses, Returns of

These returns were filed by widows or widowers whose spouse had died during either of the two preceding years, who had not remarried, and who had maintained a home which was the principal abode of a child or stepchild for whom the taxpayer was entitled to an exemption.

Surviving spouse taxpayers could use the joint return tax rates for the two taxable years following the year of death of the spouse; however, the deceased spouse could not be claimed as an exemption, except for the year of death.

#### Tax Credits

This item represents the sum of "Total Personal Credits", the "Foreign Tax Credit", the "General Business Credit", and "Other Tax Credits".

#### Tax Due at Time of Filing

"Tax due" was reported on returns on which "total tax liability" exceeded the "total taxpayments."

#### Tax From Recomputing Prior-Year Investment Credit

The investment tax credit provisions of the law included a recapture rule which required taxpayers to pay back all or a portion of any investment credit taken on property disposed of before the end of the useful life claimed in computing the credit. The law specified that if property qualifying for the credit was disposed of before the end of its intended useful life, the tax for the year of disposal was increased by the difference between the credit originally claimed and the credit that would have been allowed based on the shorter actual life.

Tax credits could not be applied against this additional tax.

#### Tax Generated

This amount was the tax on "taxable income." On most returns (those without one of the "taxes from special computations or those not electing to use the income averaging method for determining their income tax"), this equaled "income tax before credits."

#### Tax Savings From Income Averaging

In this report, the amount of tax savings is the difference between the tax resulting from using the provision of the income averaging method from Schedule G (Income Averaging) and the amount of regular tax that would have resulted from not using this provision.



### Taxable and Nontaxable Returns

The taxable and nontaxable classification of a return for this report was determined by the presence of "total income tax" (the sum of income tax after credits and the additional tax for tax preferences). Some returns classified as "nontaxable" may have had a liability for self-employment or Railroad Retirement Tax Act (RRTA) taxes, social security taxes on tip income, tax from recomputing prior-year investment credit, penalty taxes on individual retirement arrangements, Section 72 penalty taxes, advance earned income credit payments, golden parachute payments, or uncollected employee social security and RRTA tax on tips. However, these taxes were disregarded for purposes of this classification, since three of the above taxes were considered social security (rather than income) taxes, and the remaining ones, except for advance earned income payments, were either based on prior-year's income or were penalty taxes. For the purposes of this report, the earned income credit was treated as an amount which could be used to offset income tax before credits. (Since the earned income credit was refundable, it was subtracted from income tax after reduction by all other statutory credits for the statistics.) As a result, some returns became nontaxable strictly because of the earned income credit when there was not additional tax for tax preferences and the earned income credit equaled or exceeded income tax before credits reduced by any other credits.

It should be noted that classification as taxable or nontaxable was based on each return as it was originally filed; the classification does not reflect any changes resulting from audit or other enforcement activities.

### Taxable Income

Taxable income was the amount to which taxpayers applied the tax tables or the tax rate schedules to arrive at "tax generated." It was determined by subtracting from adjusted gross income "excess itemized deductions" (or by adding the "unused zero bracket amount"), the charitable contribution deduction claimed by taxpayers who did not itemize, and the exemption amount. The zero bracket amount, that portion of income subject to tax at the zero percent rate, represented the first portion of taxable income.

Taxable income was not tabulated for deficit returns or for returns on which excess itemized deductions plus the exemption amount equaled or exceeded adjusted gross income.

### Taxes From Special Computations

These taxes represented the second component

of "income tax before credits" (in addition to "tax generated") and consisted of:

- (1) the "special averaging tax" (from Form 4972), computed by a taxpayer who received a lump-sum distribution from a qualified pension or retirement plan; and was eligible to use the 10-year averaging method;
- (2) the "multiple recipient special averaging tax" (from Form 5544), computed by a taxpayer who received a share of a single lump-sum distribution from a qualified pension or retirement plan; and
- (3) the tax on accumulation distributions of trusts (from Form 4970), computed by a taxpayer who received a distribution in the current year which was based on income accumulated by a trust in prior years.

### Taxes Paid Deduction

Taxes allowed as a deduction from adjusted gross income included personal property taxes, state and local income taxes, certain state and local general sales taxes, taxes paid to foreign countries or U.S. possessions unless a foreign tax credit was claimed, and real estate taxes except those levied for improvements that tended to increase the value of the property. Federal taxes and State and local taxes on cigarettes, tobacco and alcoholic beverages were not deductible, nor were State and local fees for vehicle license plates (unless the fees were based on the value of the vehicle) or driver's licenses.

Mandatory employee contributions to a state disability fund and employee contributions to a state unemployment fund were deductible.

Taxes paid on business property were deducted separately on the schedules for business, rent, farm, and royalty income and are excluded from the "taxes paid" in this report.

### Taxpayments

These payments were generally made before the return was filed and were applied against tax liability to determine any amount payable or refundable at the time of filing. They consisted of the following:

- (1) income tax withheld, including backup withholding,
- (2) excess social security taxes or railroad retirement tax withheld,
- (3) credit for tax on certain gasoline, fuel, and oil,

- (4) payments on 1986 declaration of estimated tax,
- (5) payment with request for extension of filing time,
- (6) credit from regulated investment companies,
- (7) overpayment of windfall profit tax, and
- (8) other taxpayments.

Each of the above is described under a separate heading in this section.

While the earned income credit was shown as a taxpayment of the tax return itself, it is tabulated separately for purposes of this report and not included as part of taxpayments. (See also "Earned Income Credit.")

#### Total Income Tax

Total income tax was the sum of income tax after credits and the additional tax for tax preferences. It did not include any of the other taxes which made up "total tax liability." Total income tax was the basis for classifying returns as "taxable or nontaxable."

#### Total Itemized Deductions

Itemized deductions from adjusted gross income could be claimed for medical and dental expenses, taxes paid, interest paid, contributions, casualty and theft losses, and miscellaneous deductions.

Four groups of taxpayers were required to itemize their deductions, even if those deductions were less than the zero bracket amount. Those individuals were dependents with unearned income of \$1,080 or more; married persons filing a separate return when the taxpayer's spouse elected to itemize; dual status aliens (i.e., one who was both a nonresident alien and a resident alien or U.S. citizen during the year); and persons excluding income received from sources in U.S. possessions. Dependents with unearned income could substitute their earned income, if it was larger than their itemized deductions.

Total itemized deductions was the amount before the zero bracket amount was taken into account. It was tabulated only from returns showing positive adjusted gross income.

#### Total Personal Credits

For purposes of this report, total personal credits consisted of the following:

- (1) child care credit;
- (2) credit for the elderly and permanently and totally disabled;

- (3) residential energy credit,
- (4) political contributions credit, and
- (5) mortgage interest credit.

This amount was deducted from income tax before credits to arrive at income tax after personal credits. (See also "Income Tax After Personal Credits.") Each of the above credits is described under a separate heading in this section.

#### Total Tax Liability

Total tax liability was the sum of income tax after credits, additional tax for tax preferences, self-employment or Railroad Retirement Tax Act taxes, social security tax on tips, tax from recomputing prior-year investment credits, taxes from individual retirement arrangements, Section 72 penalty taxes, uncollected employee social security and Railroad Retirement Tax Act tax on tips, tax on golden parachute payments reduced by the "earned income credit used to offset all other taxes" (defined under "Earned Income Credit"). For purposes of this report, total tax liability did not include any advance earned income credit payments.

#### Type of Tax Computation

There were two methods of computing the tax on income subject to tax. These methods were:

- (1) regular tax, as computed from the tax tables or tax rate schedules accompanying the Forms 1040, 1040A, or 1040EZ; and
- (2) income averaging, computed on Schedule G, Income Averaging.

#### Unemployment Compensation

All or a portion of payment received for unemployment compensation was includable in adjusted gross income, and thus subject to tax.

The taxable amount of unemployment compensation was determined by adding adjusted gross income and unemployment compensation for the year and subtracting the exclusion for unemployment compensation payments. The excluded amounts were \$12,000 for single persons or married couples who filed separate returns and did not live together anytime during the year and \$18,000 for married couples who filed joint returns. Married couples who filed separate returns and lived together anytime during the year were not eligible for the exclusion.

One-half of the excess over the exclusion, but not more than gross unemployment compensation, was determined to be taxable unemployment compensation.



Unused Zero Bracket Amount

This concept represented the amount by which the zero bracket amount exceeded total itemized deductions. It could arise only on returns of taxpayers who were required, by law, to itemize their deductions. Such taxpayers consisted of: (1) married persons filing separately whose spouse chose to itemize; (2) dual status aliens; (3) persons excluding income from sources in U.S. possessions, and (4) dependents with unearned income if their earned income was less than the zero bracket amount.

This last category of taxpayers consisted of any individual who could be claimed as a dependent by another taxpayer and had to file a tax return if he or she had unearned income (such as interest, dividends, or capital gains) in excess of \$1,080. In addition, these taxpayers were required to itemize their deductions, even if the total amount of deductions was less than the appropriate zero bracket amount. (This was in contrast to most other taxpayers who could itemize their deductions only if the total itemized deductions exceeded their zero bracket amount.) If these dependent taxpayers also had earned income, such as wages, they could substitute the

earned income, if larger, for the amount of itemized deductions. The amount of any earned income substituted, however, was limited to the zero bracket amount. For purposes of statistics in this report, those returns for taxpayers being claimed as dependents with earned income equal to or greater than the zero bracket amount were tabulated as "zero bracket amount only" returns. Those returns with earned income less than the zero bracket amount were tabulated as returns with itemized deductions, with any specified itemized deductions tabulated as reported by the taxpayer. Earned income used in lieu of itemized deductions to offset taxable income was tabulated as part of "miscellaneous deductions."

(See also "Zero Bracket Amount," and "Total Itemized Deductions.")

Zero Bracket Amount

This amount replaced the "standard deduction" which was in effect for 1976 and earlier years. For 1986, the zero bracket amount was \$3,670 for married taxpayers filing jointly and surviving spouses, \$2,480 for single persons and heads of households, and \$1,835 for married taxpayers filing separately.



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Department of the Treasury  
Internal Revenue Service

# 1986 Instructions Form 1040

## From the Commissioner

The new tax reform act makes sweeping changes in our tax laws that will affect all taxpayers. However, you will find that your tax forms this year are very similar to those you filed in the past. This is because most of the new tax changes do not take effect until after 1986 and therefore will not affect your 1986 taxes. We will be providing additional information throughout the coming year about these changes so that you will be familiar with them by the time you receive next year's tax forms.

I also am happy to tell you that the last tax filing season was one of our best ever, primarily because of the excellent efforts of our employees and their improvements in our system which permitted us to more quickly process your tax returns and issue refunds. We hope that you are pleased with the improvement in our performance, and we want you to know that we will continue to work to improve our system.

You can do some important things to make sure that your 1986 return can be processed promptly this year. First, after you complete your tax return, please check it carefully to make sure it is correct and also be sure to sign it. Second, if you received a preprinted name and address label from us, please use it because this label reduces the chance of error that may delay processing your return. Finally, please mail your return as soon as possible to avoid delays that may occur at the end of the filing season.

As your new Commissioner, I am committed to the continued improvement in the quality of the service that we are providing to you. All of us at the Internal Revenue Service are working very hard to improve the quality of our performance in order to deserve and obtain your continued respect and confidence. If you have any suggestions for improving our forms and instructions or our administration of the tax laws, please let me know by writing me at the Internal Revenue Service, Mail Stop 1040, 1111 Constitution Avenue, N.W., Washington, DC 20224.

*Lawrence B. Gibbs*

Lawrence B. Gibbs  
Commissioner of Internal Revenue

## and instructions for Schedules A, B, C, D, E, F, and SE

(Tax Table—pages 37-42)

(Telephone Numbers for Ordering Forms—page 49)

(Telephone Numbers for Recorded Tax Information—page 46)

**Note:** This booklet does not contain any tax forms.

## Important Reminders

**Deduction for Charitable Contributions.** Generally, for 1986, you may deduct all of your qualified charitable contributions even if you do not itemize your deductions. See the instructions for lines 34b through 34d on page 14 for more details.

**Residential Energy Credit.** You may not take a credit for energy-saving expenditures made after 1985.

However, if you have an unused credit from a prior tax year, you may be able to take a credit against your tax. Get Form 5695, Residential Energy Credit Carryforward, for details.

**Tax Shelter Registration Number.** A person who sells (or otherwise transfers) to you an interest in a tax shelter must maintain a list of investors and give you the tax shelter registration number assigned to the tax shelter. You must attach to your tax return Form 8271, Investor Reporting of Tax Shelter Registration Number, to report this number. Penalties are provided if you fail to report this number on your tax return.

**Could You Pay Less Tax by Income Averaging?** If there has been a large increase in your income this year, you may be able to pay less tax by using the income averaging method to figure your tax. Get Schedule G (Form 1040) to see if you qualify.

## Tax Law Changes Effective for 1987

The following information has no effect on your 1986 tax return. It is provided to give you enough time to comply with three of the many new changes included in the recently enacted Tax Reform Act of 1986.

**Social Security Numbers for Dependents.** Any person age 5 or over whom you claim as a dependent on your tax return next year must have a social security number, and that number must be shown on your 1987 return. If your dependent does not already have a social security number, the Social Security Administration will let you know how to apply for one.

**Employment Taxes for Household Employees.** If you have a household employee, both you and the employee may have to pay a share of the social security tax on the employee's wages. You may also have to pay Federal unemployment tax, which is for your employee's unemployment insurance. For more details, get Publication 503, Child and Dependent Care Credit, and Employment Taxes for Household Employees.

**Voluntary Contributions To Reduce the Public Debt.** If you wish to make a contribution to reduce the public debt, enclose a separate check with your income tax return and make it payable to "Bureau of the Public Debt." You may be able to deduct this contribution on your 1987 tax return if you itemize your deductions. Please do not add it to any tax you may owe. If you owe tax, include a separate check for that amount payable to "Internal Revenue Service."

**Assembling Your Return.** Attach all schedules and forms in order of the "Attachment Sequence No.," that is shown in the upper right corner of the schedule or form. For example, the "Attachment Sequence No.," for Schedule A (Form 1040) is 07. Attach forms without an attachment sequence

number and any additional information sheets at the end of your return. See Step 5 on page 4 for more details.

**Mailing Your Return.** If you received an envelope with your forms booklet, please use it. If you didn't receive an envelope, or you moved during the year, see Where To File on page 18. Envelopes with insufficient postage will be returned by the post office.

**Telephone Service for Tax Return Information.** If it has been at least 10 weeks since you mailed your 1986 tax return, you can call a telephone number to find out the status of your income tax refund. For details on how to use this service, see Tele-Tax Information (the page numbers are in the index).

**Unresolved Tax Problems.** The Problem Resolution Program is for taxpayers who have been unable to resolve their problems with IRS. If you have a tax problem you cannot clear up through normal channels, write to your local IRS District Director or call your local IRS office and ask for Problem Resolution assistance. Although this office cannot change the tax law or technical decisions, it can assist in resolving problems that resulted from previous contacts.

**Estimated Tax Payments.** Generally, for 1987 you should prepay, through withholding or estimated tax payments, at least 90% (previously 80%) of your 1987 tax or 100% of your 1986 tax, whichever is less. Otherwise, you may have to pay a penalty. Form 1040-ES, Estimated Tax for Individuals, is used to pay estimated tax. You can get Form 1040-ES from IRS.

If you want more information about these and other tax law changes effective for 1987, get Publication 553, Highlights of 1986 Tax Changes.







Page 5  
provided on line 4 )

## Page 6

## Page 6

Information for your other dependents. Fill

include money the dependent used for his or her own support, even if this money was







you receive through a partnership, an S corporation, or a trust. Dividends paid to nonresidents are treated differently. Generally, the payer will send you a Form 1099-DIV for these dividends.

If you received, as a nominee, dividends that actually belong to someone else, see **Capital Gain** instructions that begin on page 22.

**Caution:** Be sure to give each payer of dividends your correct Social Security number. If you do not, the payer may have to withhold 20% of the dividend income. You may also be subject to penalties.

If the total dividends, including capital gain and nontaxable distributions, are more than \$400, first fill in Schedule B. (The instructions for Schedule B begin on page 22.) If you received \$400 or less in dividends on line 9a, you may skip the ordinary dividends on line 9b.

#### Dividends included:

- **Ordinary dividends.** These are paid out of a corporation's ordinary income. You may receive an ordinary dividend unless the paying corporation tells you otherwise.

- **Capital gain distributions.** If you have other capital gains or losses, you should also enter your capital gain distributions on Schedule D. If you don't need Schedule D, instead enter 40% of your capital gain distributions on Form 1040, line 14.

- **Nontaxable distributions.** Some distributions are nontaxable because they are a return of your cost. They will not be taxed until you recover your cost. You must reduce your cost (or other basis) by these costs (or other basis). You must report these distributions as capital gains.

**Note.** Generally, payments from a money market fund are dividends.

#### Do Not Report as Dividends

- Mutual insurance company dividends that reduced the premiums you paid.
- Amounts paid on deposits or accounts from which you could withdraw your money, such as mutual savings banks, cooperative banks, and credit unions. Remember to report these amounts as interest on line B.

#### Line 9b

**Dividend Exclusion.** You can exclude (subtract) up to \$1,000 of qualifying dividend income. If you and your spouse file a joint return, you can subtract up to \$2,000, regardless of which spouse received the dividends.

Dividends must be from a domestic corporation to qualify for the exclusion. Dividends from foreign corporations (other than money market funds) do not qualify for the exclusion. The corporation will tell you how much of the dividend qualifies.

The following taxable dividends do not qualify for the exclusion:

- Dividends from money market funds unless the corporation has told you how much of the dividends qualify.
- Dividends from foreign corporations, including controlled foreign corporations, unless the corporation has told you how much of the dividends qualify.

- Dividends from exempt organizations (charitable, educational, hospital, or farmers' cooperative organizations).
- Dividends paid on stock held by employee stock ownership plans.

#### Line 10

**Taxable Refunds of State and Local Income Taxes.** If you received a refund (or credit or offset) of state or local income taxes in 1986 that you paid in 1985, you may be able to claim a refund of the state or local income tax you paid. You may have to report all or part of this amount as income if your itemized deduction for state and local income taxes in the year you paid the taxes resulted in a tax benefit. You may receive Form 1099-G, Statement for Recipients of Certain Government Refunds, or similar statement, showing the refund.

Any part of a refund of state or local income taxes paid before 1986 that you were entitled to receive in 1986 but chose to apply to your 1986 estimated state income tax is considered to have been received in 1986.

**Do not report the refund as income if it was used to pay state or local income taxes you did not itemize deductions on Schedule A (Form 1040), or if it was for a year in which you filed Form 1040A or Form 1040EZ.**

If the refund was for a tax you paid in a year for which you itemized deductions on Schedule A, use the following worksheet to figure the amount, if any, you must report as income for 1986.

**Worksheet: Tax Recoveries in Publication 525.** Enter the amount of the refund below if any of the following applies:

- The refund you received in 1986 is for a tax year other than 1985.
- You received a refund (other than an income tax refund, such as a real property tax refund) in 1986 of an amount you deducted or credit you claimed in an earlier year.
- Your 1985 taxable income was less than your zero bracket amount.
- Your last payment of 1985 estimated state income tax was made in 1986.
- You were liable for the alternative minimum tax in 1985.

1. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

2. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

3. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

4. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

5. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

6. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

7. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

8. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

9. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

10. Enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year. If the refund was for a tax year other than 1985, enter the amount of the refund that you received in 1986 of an amount you deducted or credit you claimed in an earlier year.

social security number. If you do not provide it, you may be subject to a \$50 penalty. For more details, get Publication 504, Tax Information for Divorced or Separated Individuals.

If you received payments under a divorce or separation instrument executed after 1984, see the instructions for line 29 on page 12 for information on the rules that apply to these payments. Payments qualify as alimony.

#### Line 14

**Capital Gain Distributions.** If you do not need Schedule D for other capital transactions, enter 40% of your capital gain distributions on line 14.

#### Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the instructions for Form 4797. Enter the gain or (loss) from Form 4797.

#### Line 16

**Fully Taxable Pensions, IRA Distributions, and Annuities.** Use this line to report fully taxable pension or annuity income, including distributions from an IRA. If you received a lump-sum distribution from an IRA, report the amount on line 16. If you received a lump-sum distribution from a pension or annuity, report the amount on line 16. If you received a lump-sum distribution from a pension or annuity, report the amount on line 16.

If you received a lump-sum distribution from a pension or annuity, report the amount on line 16. If you received a lump-sum distribution from a pension or annuity, report the amount on line 16. If you received a lump-sum distribution from a pension or annuity, report the amount on line 16.

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Do not use lines 17a and 17b to report Social Security benefits, pension or annuity income, or other income from Form SSA-1099 and Form 1099-R. Instead, see the instructions for lines 21a and 21b.

The pension, annuity, or employee savings plan amounts may not be taxable until a later year. If you meet ALL 3 of the following requirements, you may exclude the amounts from your gross income:

- 1. Both you and your employer contributed to the pension or annuity.
- 2. Your annuity starting date is before July 2, 1986. (Your annuity starting date is the later of the first day of the first period for which you receive a payment from the plan or the date on which the plan's obligations became fixed.)
- 3. The total amount you can expect to receive from the pension or annuity (including your first annual payment) equals or exceeds your full cost. (Your cost includes amounts you contributed and amounts your employer contributed that you reported as income.)

If you meet ALL 3 of the above requirements, complete the worksheet on page 12. Enter the taxable portion of your pension or annuity. After you get back your full cost, all payments you receive are fully taxable.

**Example.** You retired in 1986 with a monthly pension of \$400. Both you and your employer contributed to it. Your annuity starting date is July 1, 1986. Your pension is \$400 per month. You have not yet received \$16,000 (\$400 x 40 years). Since this amount is more than your cost, you should exclude your pension until the payments total \$16,000. After that, they are fully taxable and should be reported on line 16.

If you do not meet ALL 3 of the above requirements, you must use a special method to figure the taxable part of your pension or annuity. For details, get Publication 575, Pension and Annuity Income. If you must use this method, enter the amount you received this year on line 17a. Enter the taxable portion on line 17b. (See the instructions for line 17b.)

**Pension and Annuity Worksheet.** (Keep for your records.)

- 1a. Enter your cost.
- 1b. Cost recovered in prior years.
2. Enter the taxable portion of your pension or annuity for 1986.
3. Enter the taxable portion of your pension or annuity for 1986.
4. Enter the taxable portion of your pension or annuity for 1986.

5. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

6. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

7. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

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10. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

11. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

12. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

13. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

14. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

15. Enter the taxable portion of your pension or annuity for 1986. If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

on military disability pensions, get Publication 525, Taxable and Nontaxable Income.

**Total Distributions From Profit-Sharing, Pension Plans, and Individual Retirement Accounts.** Enter the total distributions from all profit-sharing, pension plans, and individual retirement accounts (IRAs) for 1986. This includes distributions from IRAs that you rolled over into another IRA. Do not include distributions from IRAs that you rolled over into another IRA.

Rollover distributions are reported to you on Form 1099-R. For a rollover distribution, enter the total distribution (excluding your nondeductible contribution, if any) on line 17a. If the total on line 17a is more than \$10,000, enter the amount on line 17b. If the total on line 17a is \$10,000 or less, enter the amount on line 17b.

Special rules apply to partial rollovers of property. For details on partial rollovers of property, get Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

**Lump-Sum Distributions.** If you received a lump-sum distribution from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

**Beneficiaries—Death Benefit Exclusion.** If you are the beneficiary of a deceased employee or deceased former employee, employee may qualify for a death benefit exclusion of up to \$5,000.

**Special Rules Apply If You Are the Survivor of a Deceased Employee.** If you are the survivor of a deceased employee, employee may qualify for a death benefit exclusion of up to \$5,000.

**Unemployment Compensation (Insurance).** Unemployment compensation (insurance) you receive may be taxable under certain conditions.

By February 2, 1987, you should receive a Form SSA-1099 showing the total social security benefits paid to you in 1986, and the amount of any social security benefits you repaid in 1986. If you received Form SSA-1099, you should treat the amount as taxable income. If you received Form RRB-1099, you should treat the amount as taxable income. For more information, get Publication 915, Social Security Benefits and Equivalent Railroad Retirement Benefits.

Use the worksheet on page 11 to see if any of your benefits are taxable, but please complete it before you begin to complete it.

**Lines 21a and 21b.** Social Security Benefits (and Railroad Retirement Benefits Treated as Social Security). Social security benefits you receive may be taxable in some instances. Social security benefits include any monthly benefit under Title II of the Social Security Act or the part of a tier 1 railroad retirement benefit treated as social security. Do not include any Supplemental Security Income (SSI) payments.

By February 2, 1987, you should receive a Form SSA-1099 showing the total social security benefits paid to you in 1986, and the amount of any social security benefits you repaid in 1986. If you received Form SSA-1099, you should treat the amount as taxable income. If you received Form RRB-1099, you should treat the amount as taxable income. For more information, get Publication 915, Social Security Benefits and Equivalent Railroad Retirement Benefits.

Use the worksheet on page 11 to see if any of your benefits are taxable, but please complete it before you begin to complete it.

**Lines 20a and 20b.** Unemployment Compensation (Insurance). Unemployment compensation (insurance) you receive may be taxable under certain conditions.

By February 2, 1987, you should receive a Form SSA-1099 showing the total social security benefits paid to you in 1986, and the amount of any social security benefits you repaid in 1986. If you received Form SSA-1099, you should treat the amount as taxable income. If you received Form RRB-1099, you should treat the amount as taxable income. For more information, get Publication 915, Social Security Benefits and Equivalent Railroad Retirement Benefits.

Use the worksheet on page 11 to see if any of your benefits are taxable, but please complete it before you begin to complete it.

**Lines 20a and 20b.** Unemployment Compensation (Insurance). Unemployment compensation (insurance) you receive may be taxable under certain conditions.

**Unemployment Compensation Worksheet (Keep for your records)**

Check only one box.

- ☐ a. Married (filing a joint return)—enter with your spouse at any time during the year—enter on line 21a and 21b.
- ☐ b. Married (filing a joint return and old RRB-1099)—enter on line 21a and 21b.
- ☐ c. All others—enter \$12,000 on line 8 below.

1. Enter total unemployment compensation received from Form 1040, line 209c here and on Form 1040, line 209c here.

2. If you received an overpayment of unemployment compensation in 1986 that you repaid in 1986, enter the amount of the repayment here and show the amount repaid on the dotted line to the left of line 20b.

3. Subtract line 2 from line 1. Enter the result on line 20b.

4. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

5. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

6. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

7. Subtract line 6 from line 5. Enter the result on line 20b.

8. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

9. Subtract line 8 from line 7. If zero or less, enter -0- on Form 1040, line 20b. Do not complete lines 10 through 11. Otherwise, go on to line 10.

10. Divide the amount on line 9 by 2. Enter the result on line 20b.

11. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

12. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

13. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

14. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

15. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.

16. Enter the amount of any unemployment compensation in 1986 that you received from a profit-sharing or retirement plan, report the ordinary income part on line 16 of Form 1040 and the capital gain part on Schedule D (Form 1040). Form 1099-R shows the amount of the distribution. If you are eligible to use the special 10-year averaging method (This method cannot be used for lump-sum distributions from IRAs plans.) For more details, get Form 4972, Special 10-Year Averaging Method, and Publication 590, Individual Retirement Arrangements (IRAs), including details on other rollovers, including distributions, get Publication 575, Pension and Annuity Income.



for 1985 or 1984, you may be able to reduce the amount of tax you pay on the worksheet. Get Publication 915 for details.

## Line 22

### Other Income

Use line 22 to report any income you can't find a place for on your return or other schedules. List the type and amount of income. For more information, see Publication 525, Taxable and Nontaxable Income.

**Caution:** Do not report any income from self-employment on line 22. If you do have any income from self-employment, you must use Schedule C or Schedule F. Amounts your employer paid you for business expenses that are more than your spouse's (if you are married) business expenses should be reported on line 27, unless they were already included on your Form W-2.

Examples of income to be reported on line 22 are:

- Prizes, awards, and gambling winnings. Proceeds from lotteries, raffles, etc., are reported on line 22.
- Amounts you must report the full amount of your winnings on this line. You cannot offset losses against winnings and report the difference.

If you had any gambling losses, you may claim them as an itemized deduction on Schedule A. Do not report them on line 22.

• Reimbursement of medical expenses or other items such as real estate taxes that you deducted in an earlier year. If they reduced your tax. See Publication 525 for information on how to figure the amount to include in income.

- Amounts you recovered on bad debts that you deducted in an earlier year.
- Fees received for jury duty and precinct election board duty.

**Net Operating Loss.** If you had a net operating loss in an earlier year to carry over to 1986, enter it as a minus figure on line 22.

For more information on how to figure your 1986 net operating loss, see Publication 536, Net Operating Losses and the At-Risk Limits, for more details.

## Adjustments to Income

### Line 24

Employees and self-employed persons (other than partners) can deduct certain moving expenses as a deduction for a connection with your job or business.

You can take this deduction only if your change in job location has added at least 35 miles to the distance from your old residence to your new work place. If you had no former principal work place, your new principal work place must be at least 35 miles from your residence.

If you meet these requirements, you should see Form 3903 for details on how to figure the amount of moving expenses to enter on line 24. If you began

work at a new work place outside the United States or its possessions, see Form 3903.

If your employer paid for any part of your move, you must report that amount as income on Form 1040, line 7. Your employer's deduction for the move on line 26, and the amount paid in the gross wages, salaries, and other compensation box (Box 10) on your Form W-2.

## Line 25

### Employee Business Expenses

You can deduct certain business expenses that were not paid by your employer. Travel, transportation (but not commuting to and from work), and meals and lodging can be deducted. For more information, see Publication 525, Taxable and Nontaxable Income. You must use Form 2106 to claim the deduction. All other business expenses, such as union or professional dues, tools, and uniforms, that were not paid by your employer can be deducted only as an itemized deduction on Schedule A. Outside of the United States, you can deduct your business expenses on line 25. For details, see Publication 525, Taxable and Nontaxable Income (topic no. 214) or get Publication 463, Travel, Entertainment, and Gift Expenses, or Publication 917, Business Use of a Car.

## Line 26

### Individual Retirement Arrangement (IRA) Deduction

You can deduct on line 26 contributions made to your IRA (including those made under a Simplified Employee Pension (SEP) plan or to a plan that accepts deductible employee contributions (DECS)) Schedule C or F filers with a SEP deduction on line 27.

You should receive, by June 1, 1987, a statement showing contributions made to your IRA for 1986. Use this statement to figure your IRA deduction; please note the following:

- If you made contributions to your IRA in 1986 that you deducted on your 1985 Federal income tax return, do not include those contributions on your 1986 tax return.
- If you made contributions to your IRA in 1987 (by April 15, 1987) for 1986, be sure to include these contributions when you figure your IRA deduction for 1986.

- If your IRA deduction on line 26 is less than your IRA contributions and you do not have any other IRA contributions before your return is due, line 26 is \$25 to pay tax on the excess contribution.

If you were married and contributions were made to an IRA for your nonworking spouse for 1986, you must file a joint return for 1986 to deduct these contributions. A nonworking spouse is one who has no wages or other earned income, and who has not been treated as having such income for purposes of the IRA deduction. For example, if one spouse earned only \$100, a combined total of up to \$2,250 may be contributed to their IRAs.

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Complete lines 3a through 10 ONLY if you are married and you and your spouse worked and you both have IRAs. If you are not married, or if you and your spouse did not both have IRAs, skip lines 3a through 10 and go to line 11.

5a. Amount contributed to your IRA for 1986. Enter the amount you are deducting for 1986.

**Caution:** Do not include on line 5a any amount you contributed in 1986 and deducted on your 1985 return, or any rollover contributions made in 1986. If you are deducting for 1986, you must also deduct for 1985.

5b. Amount contributed to your IRA for 1987. Enter the amount you are deducting for 1987.

5c. Add lines 5a and 5b. Enter the total amount you are deducting for 1986 and 1987.

6. Enter the amount from line 2 of your Form 1040, line 26.

7. Maximum amount you can deduct. Enter the amount from line 6.

8. Add lines 5c and 7. Enter the amount from line 8.

9. Add amounts on lines 4 and 8. Enter the total. Do not include the amount from line 8.

10. Compare the amounts on lines 8 and 9. Enter the smaller amount on line 10.

11. Enter the amount from line 10 on Form 1040, line 26.

**Line 27**  
**Keogh Retirement Plan and Self-Employed SEP Deduction**

**Caution:** You must be self-employed to claim the Keogh deduction. Sole proprietors and partners enter the allowable deduction for contributions to your Keogh plan and your SEP on line 27.

There are two types of Keogh retirement plans:

- **Defined-contribution plan.**—This plan is based on the amount you contribute for each person in the plan. The plan is based on the employer's profits. The plan is a money purchase pension plan.

• **Defined-benefit plan.**—The deduction for this type of plan is determined by the amount of the plan's benefit payable at retirement (age 65 or older).

For more details, get Publication 560, Self-Employed Retirement Plans.

**Line 28**  
**Penalty on Early Withdrawal of Savings**

The Form 1099-INT given to you by your bank or savings and loan association will show the penalty on early withdrawals charged because you withdrew funds from your time savings deposit before its maturity. Enter this amount on line 28. (Be sure to include the interest income on Form 1040, line 8.)

**Line 29**  
**Alimony Paid**

You can deduct periodic payments of alimony or separate maintenance made under a court decree. You can also deduct payments made under a written separation agreement or a decree for support. Don't deduct lump-sum cash or property settlements, voluntary payments not made under a court order or a written separation

agreement, or amounts specified as child support. For details, see **Line 29** of Publication 504, Tax Information for Divorced or Separated Individuals.

**Caution:** You must enter the recipient's last name, if different than yours, and his or her address on line 29. If you are deducting for 1986, you must also deduct for 1985.

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Page 12

agreement, or amounts specified as child support. For details, see **Line 29** of Publication 504, Tax Information for Divorced or Separated Individuals.

**Caution:** You must enter the recipient's last name, if different than yours, and his or her address on line 29. If you are deducting for 1986, you must also deduct for 1985.

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**Line 32**

**Adjusted Gross Income**  
If line 32 is less than zero, you may have a net operating loss that you can carry to another year. See Form 1045, For more information, get Publication 536, Net Operating Losses and the At-Risk Limits.

**IRS Will Figure Your Tax**

If you want us to, we will figure your tax for you. If you paid too much, we will send you a refund. If you did not pay enough, we will bill you for the balance. You will not be charged interest or the penalty for late payment of the bill for due to the date due date for your return, whichever is later.

We can figure your tax if you meet all of the conditions described below.

- a. All of your income for 1986 was from one or more of these sources:
  - 1. Salaries, wages, and tips
  - 2. Interest
  - 3. Dividends
  - 4. Pensions or annuities
- b. You do not itemize deductions.
- c. You do not file Schedule G, Income Averaging.
- d. You do not file Form 2555, Foreign Earned Income.
- e. Your adjusted gross income (line 32) is not more than \$50,000.

If you (and your spouse if you are filing a joint return) sign and date your return and mail it by April 15, 1987:

- a. You do not want any of your refund applied to next year's estimated tax.
- b. You give us enough information so that we can figure your tax. Please read the following instructions.

Instructions that start on page 4 explain how line 37 that apply to you. The Line-By-Line instructions that start on page 4 explain how to fill in your return.

- a. Fill in the parts of your return through line 37 that apply to you. Do not fill in the lines that apply to you, but do fill in line 56. Total lines: Please be sure to fill in line 56 before you fill in line 57. See the instructions below for the line-by-line instructions that apply to you.
- b. Read lines 41 through 63. Fill in the lines that apply to you. Do not fill in the lines that do not apply to you. See the instructions below for the line-by-line instructions that apply to you.
- c. If you are filing a joint return, use the space under the words "Adjustments to Income" on the front of your return to show adjustments to income. Do not show a taxable income separately.
- d. Fill in any forms or schedules asked for on the lines you completed, and attach them to the return when you file it.

We will figure the following credit too. Fill in your return through line 37 as explained above. Follow the instructions below and sign, date, and mail your return before the due date.

**Can't file for the Elderly or for the Permanently and Totally Disabled?**—If you qualify to take this credit, follow the instructions below. Be sure to attach the Schedule R to your return. Write "CFE" on the dotted line to the left of line 42.

Check the box on Schedule R for your filing status and age, and fill in lines 11 and 13 if applicable. Also, complete Part II if applicable.

**Earned Income Credit.**—If you qualify to take this credit (see the instructions for line 38 on page 16), write "EIC" on line 58.

**Tax Computation****Line 34a**

You will fill in one of the three classes below.

- a. You MUST itemize deductions, or you choose to itemize, or
- b. You do not itemize
- c. The three classes are described below.

**You MUST itemize Deductions**  
You must itemize deductions if:

- a. You can be claimed as a dependent on your parents' return and had interest, dividends, or other unearned income of \$1,000 or more.
- b. You must complete and attach Schedule A, and complete the worksheet on this page. However, there are two exceptions to this rule.

**Exception 1.** You don't have to itemize deductions on Schedule A or complete the worksheet if you have earned income of \$2,480 or more if single (\$1,835 or more if married filing jointly) and no more than zero on line 34a and go on to line 34b.

**Exception 2.** You don't have to use Schedule A if you know that your earned income is more than your itemized deductions. Instead, use the worksheet on this page after completing line 33 of Form 1040 and enter your earned income on line 3 of the worksheet.

**Note:** If your unearned income is less than \$2,480, you don't have to use Schedule A. If you have more than zero on line 34a and go on to line 34b.

In any case, be sure to check the box below line 34a.

- a. You are married, filing a separate return, and your spouse itemizes deductions.
- b. You file Form 4563 to exclude income from sources in U.S. possessions. (For details, get Publication 570, Tax Guide for U.S. Citizens Employed in U.S. Possessions.)

D. You had dual status as a nonresident alien for part of 1986, and during the rest of the year you were either a resident alien or a U.S. citizen. However, you do not have to file Form 1040-NR if you and your spouse who was a U.S. citizen or resident at the end of 1986 and you and your spouse agree to be taxed on your combined worldwide income.

**After you've completed Schedule A:**

- a. If Schedule A, line 24, is more than line 25, enter the amount from Schedule A, line 25, on Form 1040, line 34a. Do not complete the worksheet on this page.
- b. If Schedule A, line 25, is more than line 24, do not fill in Form 1040, line 34a. Go to the worksheet on this page instead and complete it to figure the amount to enter on Form 1040, line 35.

**Worksheet (Keep for your records)**

1. Enter the amount from Form 1040, line 33.
2. If you checked Form 1040, Filing Status Box:
  - a. 2 or 5, enter \$3,670
  - b. 3, enter \$3,670
  - c. 4, enter \$3,670
3. Enter \$1,835.

4. Enter the amount from Schedule A, line 24 (or, if you can be claimed as a dependent on your parents' return, be sure you check the box on line 34a of Form 1040).

5. Subtract line 3 from line 2.

6. If you can be claimed as a dependent on your parents' return, be sure you check the box on line 34a of Form 1040.

7. If you checked Form 1040, line 33, follow the rest of the instructions for Form 1040 to complete your return.

**The example below may help you to complete this worksheet.**

**Example.**—Walter Green is single and is claimed as a dependent on his parents' return. His adjusted gross income, from Form 1040, line 32, is \$2,500. He has unearned income of \$2,500.

Walter's unearned income is more than \$2,480, so he does not have to use Schedule A. He enters \$2,480 on line 34a and goes on to line 34b.

Walter's unearned income is less than \$2,480, so he does not have to use Schedule A. He enters \$2,480 on line 34a and goes on to line 34b.

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**Line 35**

**You Choose To Itemize**  
You may choose to itemize your deductions if you are:

- a. Married and filing a joint return, or a qualifying widow(er) with dependent child, and your itemized deductions are more than \$3,670.
- b. Married and filing a separate return, and your itemized deductions are more than \$1,835.
- c. Single, or a head of household, and your itemized deductions are more than \$2,480.

If you do itemize, complete and attach Schedule A and enter the amount from line 34a of Form 1040 on line 35.

**Caution:** Certain taxpayers must itemize even though their itemized deductions are less than the amount shown above for their filing status. See "You MUST Itemize Deductions" on page 13.

**You Do Not Itemize**  
If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a, unless you MUST itemize as described on page 13.

**Line 34b through 34d**  
**Deduction for Charitable Contributions**  
For 1986, you may deduct what you actually gave to qualified charitable organizations if you do not itemize your deductions on Schedule A (Form 1040).

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are churches, hospitals, and nonprofit schools and charities.

Contributions may be in cash (keep cancelled checks, receipts, or other proof of the amount), or in property (keep the organization and the date and amount given), property, or out of pocket expenses you paid to do volunteer work for a qualified organization.

For more details on what qualifies as a charitable contribution and the limits that apply to the amount that may be deducted, see the instructions for contributions on page 21.

**Line 34b.** Enter your total cash contributions (including out of pocket expenses) if you gave cash of \$3,000 or more to any one organization, on the dotted line next to this total show to whom and how much you gave.

**Line 34c.** Enter your total gifts of property if the total is more than \$500. You must complete and attach Form 8283, Noncash Charitable Contributions, if the total is more than \$500. See the instructions for Form 8283 on page 21.

**Line 34d.** Enter the amount of property you gave to a qualified organization if the total is more than \$500. See the instructions for Form 8283 on page 21.

**Line 35**  
**Exemptions**  
Use the following chart to find the amount to enter on line 36. If you claimed more than 10 exemptions, multiply \$1,080 by the total number of exemptions entered on line 61.

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**Exemptions**  
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**Line 36**

**You Choose To Itemize**  
You may choose to itemize your deductions if you are:

- a. Married and filing a joint return, or a qualifying widow(er) with dependent child, and your itemized deductions are more than \$3,670.
- b. Married and filing a separate return, and your itemized deductions are more than \$1,835.
- c. Single, or a head of household, and your itemized deductions are more than \$2,480.

If you do itemize, complete and attach Schedule A and enter the amount from line 34a of Form 1040 on line 35.

**Caution:** Certain taxpayers must itemize even though their itemized deductions are less than the amount shown above for their filing status. See "You MUST Itemize Deductions" on page 13.

**You Do Not Itemize**  
If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a, unless you MUST itemize as described on page 13.

**Line 34b through 34d**  
**Deduction for Charitable Contributions**  
For 1986, you may deduct what you actually gave to qualified charitable organizations if you do not itemize your deductions on Schedule A (Form 1040).

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are churches, hospitals, and nonprofit schools and charities.

Contributions may be in cash (keep cancelled checks, receipts, or other proof of the amount), or in property (keep the organization and the date and amount given), property, or out of pocket expenses you paid to do volunteer work for a qualified organization.

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**Line 42**

**Credit for the Elderly or for the Permanently and Totally Disabled**  
You may be able to take this credit and reduce your tax if, by the end of 1986, you were:

- a. age 65 or over, or
- b. under age 65, you retired on permanent and total disability, and you had taxable disability income in 1986.

For more information, see the separate instructions for Schedule R. Enter the credit on line 42.

If you are filing a joint return, enter the credit for both you and your spouse on line 42. If you are filing a separate return, enter the credit for yourself on line 42.

**Line 43**  
**Partial Credit for Political Contributions for Which You Have Receipts**  
You may take a tax credit on this line for contributions to candidates for public office, to political parties, to committees of candidates, or to public officials.

**Caution:** Do not take this credit for the \$1 or \$2 you checked to go to the Presidential Election Campaign Fund.

To figure your credit, add up the amounts you gave. Enter half of this total on line 43, but do not enter more than \$50 (\$100 if you are married and filing a joint return).

**Note:** You cannot deduct political contributions as charitable contributions. For more information, please get Publication 585.

**Line 44**  
**Carryforward of Residential Energy Credit**  
You may take a credit against your tax. Use Form 5695, Residential Energy Credit. Carryforward to figure the amount allowed as a credit for 1986. Include the amount of the credit in your total for line 44. On the dotted line next to this total, write "WEC" (mortgage interest credit) and show the amount.

**Mortgage Interest Credit.** You may be able to take a credit for part of the interest you paid on your home mortgage if you were issued a mortgage credit certificate by a state or local government under a qualified rehabilitation or make improvements to your principal residence. Use Form 8396, Mortgage Interest Credit. To figure the credit, include the amount of the credit in your total for line 44. On the dotted line next to this total, write "MIRC" (mortgage interest credit) and show the amount.

**Line 46**  
**Foreign Tax Credit**  
Form 1116 explains when you can take this credit for payment of income tax to a foreign country. Also get Publication 514, Enter the credit from Form 1116 on line 46.

**Line 47**

**Credit for the Elderly or for the Permanently and Totally Disabled**  
You may be able to take this credit and reduce your tax if, by the end of 1986, you were:

- a. age 65 or over, or
- b. under age 65, you retired on permanent and total disability, and you had taxable disability income in 1986.

For more information, see the separate instructions for Schedule R. Enter the credit on line 42.

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**You Choose To Itemize**  
You may choose to itemize your deductions if you are:

- a. Married and filing a joint return, or a qualifying widow(er) with dependent child, and your itemized deductions are more than \$3,670.
- b. Married and filing a separate return, and your itemized deductions are more than \$1,835.
- c. Single, or a head of household, and your itemized deductions are more than \$2,480.

If you do itemize, complete and attach Schedule A and enter the amount from line 34a of Form 1040 on line 35.

**Caution:** Certain taxpayers must itemize even though their itemized deductions are less than the amount shown above for their filing status. See "You MUST Itemize Deductions" on page 13.

**You Do Not Itemize**  
If your itemized deductions are less than the amount shown above for your filing status (or you choose not to itemize), enter zero on line 34a, unless you MUST itemize as described on page 13.

**Line 34b through 34d**  
**Deduction for Charitable Contributions**  
For 1986, you may deduct what you actually gave to qualified charitable organizations if you do not itemize your deductions on Schedule A (Form 1040).

Include what you gave to, or for the use of, a qualified organization. Examples of qualified organizations are churches, hospitals, and nonprofit schools and charities.

Contributions may be in cash (keep cancelled checks, receipts, or other proof of the amount), or in property (keep the organization and the date and amount given), property, or out of pocket expenses you paid to do volunteer work for a qualified organization.

For more details on what qualifies as a charitable contribution and the limits that apply to the amount that may be deducted, see the instructions for contributions on page 21.

**Line 34b.** Enter your total cash contributions (including out of pocket expenses) if you gave cash of \$3,000 or more to any one organization, on the dotted line next to this total show to whom and how much you gave.

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Use the following chart to find the amount to enter on line 36. If you claimed more than 10 exemptions, multiply \$1,080 by the total number of exemptions entered on line 61.











### Substitute Tax Forms

You may not use your own version of a tax form unless it meets the requirements contained in Publication 1167 for printed substitute tax forms. You can get Publication 1167 by writing to Forms Distribution Center, P.O. Box 25866, Richmond, VA 23260.

### Amended Return

If you file your income tax return and later make to income, deductions, or credits, file Form 1040X, Amended U.S. Individual Income Tax Return, to change the Form 1040, 1040A, or 1040EZ you already filed.

**Note:** If your federal return is changed for any reason, it may affect your state income tax liability. You may be required to file a return by the IRS. Contact your state tax agency for more information.

### Tax Help Videotape

A videotape of line-by-line instructions for completing your return is available in either English or Spanish at participating libraries or you can buy or rent the tape at some videotape outlets.

### Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE)

Free help is available in most communities to lower income, elderly, handicapped, and non-English speaking individuals in preparing Form 1040EZ, Form 1040A, and Form 1040. Call your local VITA or TCE office for a telephone number for a list of the location of the volunteer assistance site near you.

### Death of Taxpayer

If the taxpayer died before filing a return for 1986, the taxpayer's spouse or personal representative must file and sign a return for the person who died if the deceased was required to file a return. A personal representative can be an executor, administrator, or anyone who is in charge of the taxpayer's property.

The taxpayer's property (the return should be written "deceased" after the deceased's name and show the date at the top of the return. Also write "DECEASED" across the top of the tax return.

If the taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund.

If your spouse died in 1986 and you did not file a return for 1986, you must file a return. You can also file a joint return if your spouse died in 1987 before filing a 1986 return. A joint return should show your spouse's 1986 income before death and your income for all of 1986. Also write "Filing as surviving spouse" in the area where you sign the return.

If you are claiming a refund as a surviving spouse filing a joint return with the deceased and you follow the above instructions, no other form is needed to have the refund issued to you. However, all other filers requesting a refund due the

deceased must file Form 1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, to claim the refund.

For more details, see **Refund Tax** in Publication 559, Tax Information for Survivors, Executors, and Administrators.

## Section 5

### Instructions for Schedules to Form 1040

#### Instructions for Schedule A

#### Itemized Deductions

#### A Change You Should Note

Loss of deposits in insolvent financial institutions. If you had money in a financial institution that you lost because of the insolvency or bankruptcy of the institution, you may be able to deduct your lost deposits. For details, get the 1986 Form 4684, Casualties and Thefts, and its instructions.

#### Purpose of Schedule

Some taxpayers must itemize their deductions and some should itemize. You must itemize deductions if you choose to itemize on pages 13 and 14 of your return. You can deduct part of your medical and dental expenses, interest, contributions, and other miscellaneous expenses. You may also deduct certain casualty and theft losses. These deductions are explained below.

### Lines 1 through 5

#### Medical and Dental Expenses

Before you can figure your total deduction for medical and dental expenses, you must complete Form 1040 through line 33.

You may deduct only that part of your medical and dental expenses that is more than 5% of your adjusted gross income on Form 1040, line 33.

You should include all amounts you paid during 1986 (including amounts you paid for health insurance, Medicare, and Medicare B) insurance) but exclude amounts repaid to you, or paid to anyone else by hospital, health or accident insurance, or your employer. Get Publication 502 for information on insurance reimbursements. If you received dental expenses in 1986, see the instructions for Form 1040, line 22. Do not reduce your 1986 expenses by this amount.

When you figure your deduction, you may include medical and dental bills you paid for:

- Yourself
- Your spouse

- Nursing care for a healthy baby (You must be the parent of the dependent child who receives the care.)

- Illegal operations or drugs
- Medicines or drugs you bought without a prescription

- Travel your doctor told you to take for rest or change
- Funeral, burial, or cremation costs

Publication 502 has a discussion of expenses that may and may not be deducted. It also explains when you may deduct capital expenditures and special care for handicapped persons on your medical expenses.

### Lines 6 through 10

#### Taxes You Paid

Include on this line state and local income taxes and the amount of the expense. Enter one amount on the total amount column on line 2c. Do not include payments you made in 1986 or a tax for a prior year. Do not reduce your amounts by either of the following:

- any state and local income tax refund (or credit) you expect to receive for 1986, or
- any refund (or credit) for prior-year state and local income taxes you actually received in 1986 (see the instructions for Form 1040, line 10).

#### Real estate taxes (line 7). Include taxes not used for business. Publication 530, Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments, explains the deductions homeowners may take.

If your mortgage payments include your real estate taxes, do not take a deduction for them. Your lender or mortgage company actually pays them to the taxing authority.

#### General sales taxes (line 8). The Optional State Sales Tax Tables (see index) show how much you may deduct for your income and family size if you did not keep detailed records. You may add to the sales tax table amount the general sales tax you paid if you

to get medical care. If you used your own car, you may claim what you spent for gas and oil to go to and from the place you received the care, or you may claim 9 cents a mile. Add parking and tolls to the amount you claim under either method.

#### Examples of Medical and Dental Payments You MAY NOT Deduct

- The basic cost of medicare insurance (Medicare A)
- Note: If you are 65 or over and not entitled to medicare security benefits, you may deduct premiums you voluntarily paid for Medicare A coverage.
- Life insurance or income protection policies
- The 1.45% medicare hospital insurance benefits tax withheld from your pay as part of the social security tax or the medicare tax paid as part of social security self-employment tax.

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If you use the sales tax tables, count all available income. This includes the amount shown on line 33, plus most amounts you received that are not taxable income.

For a married couple where both work (Form 1040, line 30). The instructions at the top of the first page of the tables give steps to help you figure your deduction.

**Personal property taxes and other taxes (line 9).** If you had any deductible tax not shown on Schedule A, lines 6 through 8b (income tax), list the tax and the amount of the tax on line 9. Enter one total in the total amount column on line 9.

Personal property tax must be based on value alone. For example, if part of the fee you paid for the registration of your car was based on the car's value and part was based on a flat fee, you may deduct only the part based on value.

If you paid tax to a foreign country or U.S. possession, you may want to take it as a credit instead of a deduction. Please get Publication 514, Foreign Tax Credit for U.S. Citizens and Resident Aliens.

#### Taxes You MAY NOT Deduct

- Federal income tax
- Social security tax
- Railroad retirement tax (RRTA)
- Federal excise tax on transportation, telephone, gasoline, etc.
- Customs duties

• Federal estate and gift taxes. (However, see **Miscellaneous Deductions** on page 22.)

• Windfall profit tax (Use Schedules C or E of Form 1040 to deduct this tax.)

- Certain state and local taxes, including:
  - a. Tax on gasoline
  - b. Car inspection fees
  - c. Tax on liquor, beer, wine, cigarettes, and tobacco

d. Assessments for sidewalks or other improvements to your property

e. Taxes paid for your business or profession (Use Schedules C, E, or F of Form 1040 to deduct business taxes.)

f. Tax you paid for someone else's hunting, etc.)

g. License fees (marriage, driver's, dog, hunting, etc.)

h. Per capita (head) tax

i. Tax on life insurance if you paid the premium

j. Tax on life insurance if you paid the premium

k. Tax on life insurance if you paid the premium

l. Tax on life insurance if you paid the premium

m. Tax on life insurance if you paid the premium

n. Tax on life insurance if you paid the premium

o. Tax on life insurance if you paid the premium

p. Tax on life insurance if you paid the premium

q. Tax on life insurance if you paid the premium

r. Tax on life insurance if you paid the premium

### Interest You MAY Deduct

**Home mortgage interest (lines 11a and 11b).** If you paid \$600 or more of interest on your home mortgage, the recipient of this interest will generally send you a Form 1098, Mortgage Interest Statement, or similar statement showing the total interest received during 1986. You should receive this statement by February 2, 1987.

However, if you paid "points" (including loan origination fees), they will not be shown on this statement. Get Publication 544 to see if the points qualify as interest. If they do, include them on line 11b.

- **Line 11a.** Report mortgage interest you paid directly, or indirectly (to financial institutions on line 11a. If you and at least one other person (other than your spouse if you file a joint return) were liable for, and paid interest on, the mortgage, and the other person received the Form 1098, or your return showing the total interest of the person who received the form in the far left margin, next to line 11a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, or similar statement, get Publication 545 to see if you can deduct the additional interest. If you can, explain the difference and write "see attached" next to line 11a.

**Note:** If you are claiming the Mortgage Interest Credit (see instructions for Form 1040, line 44), subtract the amount shown on line 3 of Form 8396 from the total interest you paid on your home mortgage and enter the report on line 11a.

- **Line 11b.** Report mortgage interest you paid to individuals on line 11b. Also list this interest by name and address in the space provided.

**Credit card and charge account interest you paid (line 12).** Include interest you paid on bank and other general purpose credit cards. Deduct the finance charge paid as interest if no part of it was for service charges, membership fees, loan fees, credit investigation fees, etc. Also deduct interest you paid on revolving charge accounts.

Charge account interest you paid on revolving charge accounts added if the charges are based on your monthly unpaid balance.

**Other interest you paid (line 13).** List each payee's name and the amount. Enter one total in the total amount column on line 13. Include on this line interest you paid on—

- Your personal note for money you borrowed from a bank, a credit union, or another person
- Loans on life insurance if you paid the interest in cash and you report on the cash basis

• Installment contracts on personal property, such as cars

• Taxes you paid late. Show only the deductible amount. If the tax is considered a penalty, if the tax is deductible, show it under **Taxes You Paid** (lines 6 through 9 of this schedule)

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<p><b>Part I</b></p> <p><b>Interest Income</b></p> <p>To see what interest income you must report, read the instructions for Form 1040, line 8, on page 8.</p> <p>If you received interest from a bank, savings and loan, or other financial institution, you should send you a <b>Form 1099-INT</b> showing interest from all payers is over \$400. If the total interest from all payers is over \$400, fill in Parts I and II of this schedule.</p> <p><b>Line 1</b></p> <p>Report on line 1 the interest portion of any income you received from an individual based on a sale of property, or from a form of seller financing that resulted from the sale of your home or other property. Show the payer's name and the amount.</p> <p><b>Line 2</b></p> <p>Report on line 2 ALL interest (other than interest from an individual based on a sale of property, or from a form of seller financing that resulted from the sale of your home or other property) that you received or that was credited to your account so you could withdraw it. List each payer's name and show the amount.</p> <p><b>Nominees.</b> Include on line 2 interest you received, as a nominee, that actually belongs to another person. Several lines above line 3, put a subtotal of all interest income listed on line 2. Below this subtotal, interest amounts you received as a nominee. Subtract these amounts from the subtotal and enter the result on line 3.</p> <p><b>Note.</b> If you received interest as a nominee, give the actual owner a <b>Form 1099-INT</b>.</p> <p><b>Accrued Interest.</b> When you buy bonds between interest payment dates and pay accrued interest to the seller, this interest is taxable to the seller. If you received a <b>Form 1099</b> for interest as a purchaser of a bond, you must report the interest on line 2. However, under Nominees to see how to report the accrued interest on Schedule B. But identify the amount to be subtracted as "Accrued Interest."</p> <p><b>Tax-Exempt Interest.</b> If you received a <b>Form 1099-INT</b> for tax-exempt interest, such as from municipal bonds, report the interest on line 2. Several lines above line 3, put a subtotal of all tax-exempt interest. Below this subtotal, list the tax-exempt interest and show the amount. Subtract this amount from the subtotal and enter the result on line 3.</p> <p><b>Original Issue Discount (OID).</b> If you are reporting OID in an amount less than the amount shown on <b>Form 1099-OID</b>, follow the rules above under Nominees or to see how to report the OID. But identify the amount to be subtracted as "OID Adjustment."</p> <p><b>Part II</b></p> <p><b>Dividend Income</b></p> <p>To see what dividend income you must report, read the instructions for Form 1040, line 9a, on page 8.</p> <p><b>Tip:</b> Be sure to read the instructions on page 9 for line 9a to see if you can exclude any part of your dividend income.</p>	<p>to his or her parental home, has a specific factor or condition that makes the child difficult to place, and has been the subject of an unsuccessful placement effort.</p> <p><b>Gambling Losses.</b> You may deduct gambling losses only if you have more than the amount of gambling winnings you reported on Form 1040, line 22.</p> <p><b>Income in Respect of a Decedent.</b> You may deduct the Federal estate tax attributable to income in respect of a decedent that is ordinary income.</p> <p><b>Expenses You MAY NOT Deduct</b></p> <ul style="list-style-type: none"> <li>Political contributions (but see instructions for Form 1040, line 43).</li> <li>Personal legal expenses.</li> <li>Lost or misplaced cash or property.</li> <li>Expenses for meals during regular or extra work hours.</li> <li>The cost of entertaining friends.</li> <li>Expenses of going to or from work.</li> <li>Expenses for travel for your job that minimum requirements for your job or that will qualify you for a new occupation.</li> <li>Fines and penalties.</li> <li>Expenses of producing tax-exempt income.</li> </ul> <p>For more details, get <b>Publication 529, Miscellaneous Deductions</b>.</p> <p><b>Note:</b> On line 22 list the type and amount of each expense. Enter one total in the total amount column on line 22.</p> <p><b>Line 26</b></p> <p><b>Summary of Itemized Deductions</b></p> <p>If line 24 is more than line 25, subtract line 25 from line 24 and enter the result on Schedule A, line 26, and on Form 1040, line 34a.</p> <p><b>Note:</b> You will receive the full benefit of your itemized deductions because the zero bracket amount you entered for your filing status on line 25 has been built into the Tax Table. If line 24 is the same as line 25, and you are required to itemize your deductions (as explained on page 13 under You MUST Itemize Deductions), write "TC" on Schedule A, line 26.</p>	<p><b>Instructions for Schedule B</b></p> <p><b>Schedule B</b></p> <p><b>Dividend Income</b></p> <p><b>Purpose of Schedule</b></p> <p>Use Schedule B if you are filing Form 1040 and you:</p> <ul style="list-style-type: none"> <li>Had more than \$400 in interest.</li> <li>Had more than \$400 in dividends.</li> <li>Had a foreign account, or were a grantor of, or transferor to, a foreign trust.</li> </ul> <p>Answer questions about foreign accounts and trusts.</p>	<p><b>Lines 20 through 23</b></p> <p><b>Miscellaneous Deductions</b></p> <p><b>Business Use of Home.</b> You may not deduct expenses for business use of part of your home unless you use that part exclusively and on a regular basis in your work and for the convenience of your employer.</p> <p><b>See Tax-Table Information in the index (topic no. 237) for Publication 387, Business Use of Your Home, for details.</b></p> <p><b>Expenses You MAY Deduct.</b> Generally, you may deduct expenses paid for or by law or regulations, to keep your present salary or job. In general, you may also deduct the cost of maintaining or improving skills you must have in your present position.</p> <p>You may not deduct some educational expenses among them are expenses for state taxes that you must pay to get or to get a new job.</p> <p>For more details, see <b>Tele-Tax Information</b> in the index (topic no. 238) or <b>Publication 508, Educational Expenses</b>.</p> <p><b>Employee Expenses.</b> Examples of the expenses you may deduct are:</p> <ul style="list-style-type: none"> <li>Safety equipment, small tools, and supplies you needed for your job.</li> <li>Uniforms your employer said you must have, and which you may not usually wear away from work.</li> <li>Protective clothing, required in your job, such as hard hats and safety shoes and glasses.</li> <li>Physical examinations your employer said you must have.</li> <li>Dues to professional organizations and chambers of commerce.</li> <li>Subscriptions to professional journals.</li> <li>Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.</li> </ul> <p><b>Note:</b> If your employer reimbursed you directly or indirectly for any educational expenses or employee expenses, you must use <b>Form 2106, Employee Business Expenses</b>, Part I, line 3, to deduct those expenses. If you were reimbursed for any related travel or transportation expenses.</p> <p><b>Expenses of Producing Income.</b> You may deduct what you paid to produce or collect taxable income or to manage or protect property held for producing income. Examples of these expenses are:</p> <ul style="list-style-type: none"> <li>Sale deposit box rental.</li> <li>Certain legal and accounting fees.</li> <li>Clerical help and office rent.</li> <li>Custodial (e.g., trust account) fees.</li> </ul> <p><b>Qualified Adoption Expenses.</b> You may be able to deduct up to \$1,500 of qualified adoption expenses you paid for each child you adopt with "special needs."</p> <p>A child with special needs is one who the state determines, in connection with the State's adoption program, cannot or should not be returned to the program, cannot or should not be returned</p>
<p><b>Line 15a.</b> Enter your total cash contributions (including pocket expenses) except those that total \$3,000 or more to any one organization.</p> <p><b>Line 15b.</b> Enter cash contributions totaling \$3,000 or more to any one organization. Show to whom and how much you gave in the space provided.</p> <p><b>Line 16.</b> Enter your contributions of property. If you gave used items, such as clothing, furniture, or other household items, enter their fair market value. If you gave a new item, enter its fair market value. If you gave a new item, enter its fair market value. If you gave a new item, enter its fair market value.</p> <p><b>Line 17.</b> Enter your contributions of property. If you gave used items, such as clothing, furniture, or other household items, enter their fair market value. If you gave a new item, enter its fair market value. If you gave a new item, enter its fair market value.</p> <p><b>Line 18.</b> Enter your contributions of property. If you gave used items, such as clothing, furniture, or other household items, enter their fair market value. If you gave a new item, enter its fair market value. If you gave a new item, enter its fair market value.</p> <p><b>Line 19.</b> Enter your contributions of property. If you gave used items, such as clothing, furniture, or other household items, enter their fair market value. If you gave a new item, enter its fair market value. If you gave a new item, enter its fair market value.</p>	<p><b>Line 19</b></p> <p><b>Casualty and Theft Losses</b></p> <p>Use line 19 to report casualty or theft losses of property that is not trade, business, or rental property. Complete and attach <b>Form 4684, Casualties and Thefts</b>, for a similar statement to figure your loss of loss from Form 4684.</p> <p><b>Losses You MAY Deduct</b></p> <p>You may be able to deduct all or part of the following losses:</p> <ul style="list-style-type: none"> <li>Losses from theft, vandalism, fire, storm, and car, boat, and other accidents or similar causes.</li> <li>Losses from nonbusiness casualty or theft losses only to the extent that—</li> </ul> <p>a. the amount of EACH separate casualty or theft loss is more than \$100, and</p> <p>b. the total amount of ALL losses during the year is more than 10% of your adjusted gross income on Form 1040, line 33.</p> <p><b>Special rules apply if you had both gains and losses from nonbusiness casualties or thefts. Get Form 4684 for details.</b></p> <p><b>Losses You MAY NOT Deduct</b></p> <ul style="list-style-type: none"> <li>Money or property misplaced or lost.</li> <li>Breakeage of china, glassware, furniture, and similar items under normal conditions.</li> <li>Progressive damage to property (buildings, clothes, trees, etc.) caused by termites, moths, other insects, or disease.</li> </ul> <p>Use line 22 of Schedule A to deduct the costs of proving that you had a property casualty or theft loss. See the instructions to establish the amount of your loss.</p> <p>For more details, get <b>Publication 547, Nonbusiness Disasters, Casualties, and Thefts</b>. It also gives information about Federal disaster area losses.</p>	<p><b>Line 15a through 15c</b></p> <p><b>Contributions You MAY Deduct</b></p> <p>Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out of pocket expenses you paid to do volunteer work for the kinds of organizations listed above you. You may deduct contributions above you may make 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method (but don't deduct any amounts that were repaid to you).</p> <p><b>Publication 526, Charitable Contributions</b>, for details.</p> <p><b>Contributions You MAY NOT Deduct</b></p> <ul style="list-style-type: none"> <li>Your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 33.</li> <li>Your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 33, or</li> <li>you gave gifts of property that increased in value or gave gifts of the use of property to a charity.</li> </ul> <p><b>You MAY NOT Deduct As Contributions</b></p> <ul style="list-style-type: none"> <li>Political contributions (but see instructions for Form 1040, line 43).</li> <li>Ques, fees, or bills paid to country clubs, lodges, golf courses, or similar groups.</li> <li>Cost of rifle, bingo, or lottery tickets.</li> <li>Cost of tuition.</li> <li>The value of your time or services.</li> <li>Value of blood given to a blood bank.</li> <li>The value of a durable interest in tangible personal property (until the entire interest has been transferred).</li> </ul> <p><b>Gifts to:</b></p> <ul style="list-style-type: none"> <li>Individuals.</li> <li>Foreign organizations.</li> <li>Groups that are run for personal profit.</li> <li>Groups whose purpose is to lobby for changes in the laws.</li> <li>Civic leagues, social and sports clubs, labor unions, and chambers of commerce.</li> </ul> <p><b>Recordkeeping.</b> If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the date and location of the gift, and a description of the property. You should also keep reliable written records for each gift of information that include the following:</p> <ul style="list-style-type: none"> <li>How you figured the property's value at the time you gave it. (If the value was more than \$500, you should also keep a signed copy of the appraisal.)</li> <li>The cost or other basis of the property.</li> <li>Capital gain that would have resulted if the property had been sold at its fair market value.</li> <li>How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.</li> </ul> <p><b>Note:</b> If your total deduction for gifts of property is over \$500, or if you gave less than \$500 of property, you must attach a "qualified conservation contribution" under section 170(e), your records should contain additional information. Get <b>Publication 526</b> for details.</p>	<p><b>Line 15a through 15c</b></p> <p><b>Contributions You MAY Deduct</b></p> <p>Contributions may be in cash (keep cancelled checks, receipts, or other reliable written records showing the name of the organization and the date and amount given), property, or out of pocket expenses you paid to do volunteer work for the kinds of organizations listed above you. You may deduct contributions above you may make 12 cents a mile or the actual cost of gas and oil. Add parking and tolls to the amount you claim under either method (but don't deduct any amounts that were repaid to you).</p> <p><b>Publication 526, Charitable Contributions</b>, for details.</p> <p><b>Contributions You MAY NOT Deduct</b></p> <ul style="list-style-type: none"> <li>Your cash contributions or contributions of ordinary income property are more than 30% of Form 1040, line 33.</li> <li>Your gifts of capital gain property to certain organizations are more than 20% of Form 1040, line 33, or</li> <li>you gave gifts of property that increased in value or gave gifts of the use of property to a charity.</li> </ul> <p><b>You MAY NOT Deduct As Contributions</b></p> <ul style="list-style-type: none"> <li>Political contributions (but see instructions for Form 1040, line 43).</li> <li>Ques, fees, or bills paid to country clubs, lodges, golf courses, or similar groups.</li> <li>Cost of rifle, bingo, or lottery tickets.</li> <li>Cost of tuition.</li> <li>The value of your time or services.</li> <li>Value of blood given to a blood bank.</li> <li>The value of a durable interest in tangible personal property (until the entire interest has been transferred).</li> </ul> <p><b>Gifts to:</b></p> <ul style="list-style-type: none"> <li>Individuals.</li> <li>Foreign organizations.</li> <li>Groups that are run for personal profit.</li> <li>Groups whose purpose is to lobby for changes in the laws.</li> <li>Civic leagues, social and sports clubs, labor unions, and chambers of commerce.</li> </ul> <p><b>Recordkeeping.</b> If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the date and location of the gift, and a description of the property. 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- a. Figure the amount from Form 1040, line 35, without regard to gains and losses from sales or exchanges of capital assets.
- b. Subtract from the amount in a one of the following:
1. \$2,480 if you are filing as single or head of household
  2. \$3,670 if you are married (filing a joint return or you are a qualifying widow(er) with a dependent child)
  3. \$1,835 if you are married filing a separate return

#### Part VI

**Reconciliation of Forms 1099-B For Bartering Transactions**

This part will enable IRS to compare amounts of bartering income reported to you on Forms 1099-B with amounts you report on your tax return.

### Instructions for Schedule E Supplemental Income

**Reminder**

If you claim any expenses for use of an automobile or other "listed property" in a business, you must complete the appropriate sections of Part III of Form 4562, Depreciation and Amortization. For more information, get Publication S34.

**Purpose of Schedule**

Use Schedule E to report income (or loss) from rents and royalties, partnerships, S corporations, and other supplemental income. **Note:** If you attach your own schedules to report income (or loss) from any of these sources, use the same format as the Schedule E. Enter separately on Schedule E the total of net income and the total of net loss for each part. **DO NOT** combine the losses from the separate schedules.

**Filers of Forms 1041 and 1041S.** Enter your employer identification number in the block labeled "Your social security number."

**At-Risk Rules (Parts I and II)**

If you have (1) a loss from any activity that you, your partnership, or business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, and (2) you have amounts for which you are not at risk in the activity, use Form 6198, **At-Risk Rules**, to determine the allowable loss to report on Schedule E.

**Amounts for which you are not at risk are** amounts such as the following:

1. nonrecourse loans used to finance the activity, acquire property used in the

- activity, or acquire your interest in the activity unless they are secured by property not used in the activity.
2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement.
  3. loans from someone who has an interest in the activity, other than as a creditor, or who is related (under Section 1361(e)(4)), to a partner, partner's spouse, or partner's child (other than your child) having such an interest, or
  4. amounts contributed to the activity, or to your interest in the activity that is covered by nonrecourse loans or protected against similar arrangement, or
  5. loans from a person described in 3 above.

For more details, get Publication S36, **Net Operating Losses and the At-Risk Limits**.

The at-risk rules may apply to a member of a partnership or joint venture, a shareholder in an S corporation, or a lessor of property to a partnership or S corporation. You have at risk limits the loss you can deduct for any tax year.

Partners and S corporation shareholders should get a separate statement of income, expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. See Form 6198 and the related instructions for more information.

If, in addition to the amount that you use to report the loss, you also have a net loss or gain from the activity, you must also report the net loss or gain from the activity for which you are not at risk, see the instructions for Form 6198.

If you have amounts that are not at risk, get Publication S36. If the loss is from Part I, Schedule E, enter the deductible amount from Form 6198 in the appropriate column (e) of Schedule E.

Any loss from an activity not allowed for the at-risk rules is the loss that is not allowable to the activity in the next tax year.

**Part I**

**Rental and Royalty Income (or Loss)**

Generally, you should use this part to report rental and royalty income. Report rents from property you own or control, including room and other space rentals. However, if you provided services to the renter, or if the rental is for a business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, report the income on Schedule C (Form 1040).

For more information on rental income and expenses, see **Tele-Tax Information** in the index (topic no. 143) or get Publication S27, **Rental Property**.

Report royalties from oil, gas, or mineral properties, copyrights, and patents. However, if you hold an operating oil, gas, or mineral interest, report the income as a self-employed writer, inventor, artist, etc., on Schedule C (Form 1040).

If you use Part I to report rental and royalty income, enter your rental and royalty expenses for each property in the appropriate columns on lines 4 through 20.

If you have a loss from an activity, except the holding of real property (other than mineral property) placed in service before January 1, 1987, see the **At-Risk Rules** on page 25.

If you have more than one rental or royalty property, complete and attach as many Schedules E as are needed to list the properties. Complete lines 1 and 2 for each property. However, fill in the "Totals" column for lines 3, 10, 18, 19, and 22.

Figures for the total column (e) of Schedule E are the combined totals of all the schedules.

If you also need to use page 2 of Schedule E, use the same Schedule E that you used to enter the combined totals in Part I.

**Rentals**

If you were not in the real estate sales business and you received rent from property you own or control, report it on line 3a. If you received services or property, instead of money, as rent, report its fair market value. You can deduct an amount for the depreciation of rental property. You can also deduct all normal expenses, such as taxes, interest, repairs, and maintenance.

For more information on rental property, see the instructions for Form 6198. If, in addition to the amount that you use to report the loss, you also have a net loss or gain from the activity, you must also report the net loss or gain from the activity for which you are not at risk, see the instructions for Form 6198.

If you have amounts that are not at risk, get Publication S36. If the loss is from Part I, Schedule E, enter the deductible amount from Form 6198 in the appropriate column (e) of Schedule E.

Any loss from an activity not allowed for the at-risk rules is the loss that is not allowable to the activity in the next tax year.

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**Part II**

**Partnerships, S Corporations, Estates, or Trusts**

If you need additional space in Part II to list your income or losses, attach a continuation sheet. However, be sure to complete columns (e) and (f) of line 27 or line 31, as appropriate.

**Tax Shelter Registration Number.** If you are claiming or reporting any deduction for a tax shelter, you must attach Form 8271, **Investor Reporting of Tax Shelter Registration Number**, to your return to report the tax shelter registration number as well as other information that you must take into account your share of tax preference items from these entities on Form 6251.

**Partnerships**

If you are a member of a partnership or joint venture, report your share of the partnership income (whether you

A day of personal use is any day, or part of a day, that the unit is used —

- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

**Certified Historic Structures**

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. Get Publication S35 for more details.

**Expenses To Rehabilitate Low-Income Housing**

You may amortize over a 60-month period up to \$20,000 of the costs you paid or incurred in 1986 to rehabilitate qualified low-income housing. Get Publication S35 for more details.

**Deduction For Removal of Barriers to the Handicapped and Elderly**

You can deduct up to \$35,000 of the costs you paid or incurred in 1986 to remove architectural or transportation barriers to the handicapped and the elderly. Get Publication S35 for more details.

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**Partnerships, S Corporations, Estates, or Trusts**

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If you are a member of a partnership or joint venture, report your share of the partnership income (whether you

A day of personal use is any day, or part of a day, that the unit is used —

- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

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**Tax Shelter Registration Number.** If you are claiming or reporting any deduction for a tax shelter, you must attach Form 8271, **Investor Reporting of Tax Shelter Registration Number**, to your return to report the tax shelter registration number as well as other information that you must take into account your share of tax preference items from these entities on Form 6251.

Enter your depletion deduction on line 19. Get Publication S35, **Business Expenses**, for information on depletion.

**Rental Income From Farm Production or Crop Shares**

Report farm rental income and expenses on Form 4835, **Farm Rental Income and Expenses**, if you meet these two tests:

- a. You received rental income that was based on crops or livestock produced by the tenant.
- b. You did not manage or operate the farm to any great extent.

**Notes:** For purposes of the estimated tax, the rental income is treated as income from crops and rental based on farm production. If you use Form 4835, enter on line 25 of Schedule E the net farm rental profit or (loss) from Form 4835, line 34.

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If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. Get Publication S35 for more details.

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**Tax Shelter Registration Number.** If you are claiming or reporting any deduction for a tax shelter, you must attach Form 8271, **Investor Reporting of Tax Shelter Registration Number**, to your return to report the tax shelter registration number as well as other information that you must take into account your share of tax preference items from these entities on Form 6251.

**Partnerships**

If you are a member of a partnership or joint venture, report your share of the partnership income (whether you

A day of personal use is any day, or part of a day, that the unit is used —

- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

**Certified Historic Structures**

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. Get Publication S35 for more details.

**Expenses To Rehabilitate Low-Income Housing**

You may amortize over a 60-month period up to \$20,000 of the costs you paid or incurred in 1986 to rehabilitate qualified low-income housing. Get Publication S35 for more details.

**Deduction For Removal of Barriers to the Handicapped and Elderly**

You can deduct up to \$35,000 of the costs you paid or incurred in 1986 to remove architectural or transportation barriers to the handicapped and the elderly. Get Publication S35 for more details.

**Part II**

**Partnerships, S Corporations, Estates, or Trusts**

If you need additional space in Part II to list your income or losses, attach a continuation sheet. However, be sure to complete columns (e) and (f) of line 27 or line 31, as appropriate.

A day of personal use is any day, or part of a day, that the unit is used —

- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

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**Part II**

**Partnerships, S Corporations, Estates, or Trusts**

If you need additional space in Part II to list your income or losses, attach a continuation sheet. However, be sure to complete columns (e) and (f) of line 27 or line 31, as appropriate.

**Tax Shelter Registration Number.** If you are claiming or reporting any deduction for a tax shelter, you must attach Form 8271, **Investor Reporting of Tax Shelter Registration Number**, to your return to report the tax shelter registration number as well as other information that you must take into account your share of tax preference items from these entities on Form 6251.

**Partnerships**

If you are a member of a partnership or joint venture, report your share of the partnership income (whether you

A day of personal use is any day, or part of a day, that the unit is used —

- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

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If you have (1) a loss from any activity that you, your partnership, or business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, and (2) you have amounts for which you are not at risk in the activity, use Form 6198, **At-Risk Rules**, to determine the allowable loss to report on Schedule E.

**Amounts for which you are not at risk are** amounts such as the following:

1. nonrecourse loans used to finance the activity, acquire property used in the

**Partnerships**

If you are a member of a partnership or joint venture, report your share of the partnership income (whether you

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- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

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**Expenses To Rehabilitate Low-Income Housing**

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**Deduction For Removal of Barriers to the Handicapped and Elderly**

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**Part II**

**Partnerships, S Corporations, Estates, or Trusts**

If you need additional space in Part II to list your income or losses, attach a continuation sheet. However, be sure to complete columns (e) and (f) of line 27 or line 31, as appropriate.

**Tax Shelter Registration Number.** If you are claiming or reporting any deduction for a tax shelter, you must attach Form 8271, **Investor Reporting of Tax Shelter Registration Number**, to your return to report the tax shelter registration number as well as other information that you must take into account your share of tax preference items from these entities on Form 6251.

**Partnerships**

If you are a member of a partnership or joint venture, report your share of the partnership income (whether you

A day of personal use is any day, or part of a day, that the unit is used —

- a. for personal purposes by you, or any other person who has an interest in it, unless the unit is rented to that person under a shared equity financing agreement, or
- b. by a member of your family or family member of any other person who has an interest in that person's residence, or
- c. by anyone under an arrangement that lets you use another dwelling unit, or
- d. by anyone at less than fair rental.

If you used the property as a residence and rented it out for less than 15 days, you may not deduct any rental expenses. However, if you itemize your deductions, you may deduct any interest, taxes, and casualty losses on Schedule A (Form 1040). You do not have to report the rental income.

**Certified Historic Structures**

If you own a certified historic structure and pay or incur certain capital expenditures to rehabilitate it, special rules apply. Get Publication S35 for more details.

**Expenses To Rehabilitate Low-Income Housing**

You may amortize over a 60-month period up to \$20,000 of the costs you paid or incurred in 1986 to rehabilitate qualified low-income housing. Get Publication S35 for more details.

If you sold stocks or bonds and your broker provided you with a Form 1099-B or similar statement that shows gross sales price, enter that amount in column (d). However, if the broker advised you that gross proceeds (gross sales price less commissions and option premiums) were column (d). If the net amount is entered in this column, do not include the commissions and option premiums in column (e).

**Important:** Be sure to add all sales price entries in column (d) on lines 2a and 9a and enter the totals on lines 2b and 9b.

**Column (e)**

In general, the cost or other basis is the cost of the property plus purchase commissions, improvements, and minus depreciation, amortization, and depletion. If you inherited the property or got it as a gift, in a tax-free exchange, involuntary conversion, or "wash sale" of stock, you may not be able to use the cost or other basis. If you sold the property, attach an explanation of your basis.

When selling stock, adjust your basis by subtracting all the nontaxable distributions you received before the sale. Also adjust your basis for any stock splits.

The basis of property acquired by gift generally is the basis of the property in the hands of the donor.

The basis of property acquired from a decedent is generally the fair market value at the time of death.

If a charitable contribution of property is allowed because of a sale of property to a charitable organization, the adjusted basis for determining gain from the sale is an amount which has the same ratio to the adjusted basis as the amount realized has to the fair market value.

Increase your cost or other basis by any commission, and option premium before making an entry in column (e), unless you reported net sales price in column (d).

For more information, get Publication S51, **Basis of Assets**.

**Line 6**

**Short-Term Capital Loss Carryover From Years Beginning After 1969**

Enter the amount from your 1985 Schedule 4798, Part II, line 20.

**Line 15**

**Long-Term Capital Loss Carryover From Years Beginning After 1969**

Enter the amount from your 1985 Schedule 4798, Part II, line 26.

**Note:** If you used Form 4798 in 1985 and had a net capital loss, enter the 1985 net capital loss on line 15. If you completed Schedule D, Parts III or IV, enter the net capital loss on line 15.

**Line 23c**

**For Form 4798, Part I, line 30c**

**Taxable Income as Adjusted**

Figure your taxable income, as adjusted, with a separate calculation. Do this in the following way:

1. nonrecourse loans used to finance the activity, acquire property used in the



received (or not) or net loss for the prior year that you could not deduct in the prior year. You must also get a copy of your return. You should receive a Schedule K-1 (Form 1065) from the partnership. Do not attach that schedule to your return. Keep it for your records.

If you have other partnership interests, such as depletion, show each claim on a separate Form 1065 on gain or other items on line 29 of Schedule E. If you claimed a credit for prior year partnership losses on line 29 of Schedule E, enter the amount of the credit claimed in column (f) the amount of the credit claimed in 1985. If you have unexpired partnership expenses, show them on a separate line and enter the amount of the expense. If you are claiming a deduction for recovered property (section 179), enter the amount of this deduction on line 29 of Schedule E.

**Note:** The amount of your section 179 deduction from ALL sources cannot be more than \$5,000 (\$2,500 if you are married filing a separate return).

If you are treating S corporation items on your tax return differently from the way the S corporation reported the items on its return, you may have to file Form 8082. If you are claiming a deduction for recovered property (section 179), enter the amount of this deduction on line 29 of Schedule E.

**Note:** The amount of your section 179 deduction from ALL sources cannot be more than \$5,000 (\$2,500 if you are married filing a separate return).

Part of or all of your share of partnership income or loss from the operation of the business may be considered net earnings. Your return's net operating loss, attach to your return a computation of the adjusted basis of your stock in the corporation and the adjusted basis of any debt the corporation owes you. Your deduction is limited to the amount of the adjusted basis. However, any amount not allowed this year may be carried forward and deducted in a later year in which you have sufficient basis in the stock and debt. See Publication 589 for information on adjustments to basis.

**Estates and Trusts**  
If you are a beneficiary of an estate or trust, you should receive a Schedule K-1 (Form 1041) from the fiduciary. Do not attach the schedule to your return. Keep it for your records. Report your taxable part of the income (whether you received it or not) as follows:

- a. Dividends qualifying for the dividend tax credit (see Form 1040, line 9a). Do not list them on Schedule B.
- b. Capital gains—Schedule O (Form 1040).
- c. Other taxable income less deductions—Schedule E, Part II.

For more information, contact the fiduciary or see Schedule K-1, Form 1041. If you have a loss, see the At-Risk Rules on page 25.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a beneficiary of the property. For more information, get Form 3520-A, Annual Return of Foreign Trust With U.S. Beneficiaries.

**S Corporations**  
If you are a shareholder of an S corporation, you should receive a Schedule K-1 (Form 1065) from the S corporation. Do not attach the schedule to your return. Keep it for your records. Report your taxable part of the income (whether you received it or not) or net loss of the corporation on Schedule E in

### Part III

**Caution:** If you are a member of a partnership, the amounts entered on lines 33 and 34 may affect your net earnings from self-employment on Schedule SE.

### Line 33

In certain situations, you must report as income on line 33 the amount of any credit received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1985 on Schedule E, and received a tax benefit for the deduction on your 1985 tax return. For more information, see the instructions for Form 6243, Computation of Dividend Windfall Profit Tax.

### Line 34

If you are a cash method taxpayer, deduct on line 34 the amount of windfall profit tax actually withheld in 1986.

### Part IV

### Line 37

Enter on this line your total share of gross farming and fishing income as shown on Form 4835, line 8; Schedule K-1 (Form 1065), line 13b; Schedule K-1 (Form 1065), line 13c; and Schedule K-1 (Form 1041), line 10.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

1. your gross farming or fishing income for 1985 or 1986 is at least two-thirds of your gross income, and
2. you file your 1986 tax return and pay the tax due by March 2, 1987.

### Part V

You can deduct an amount each year for property you buy to use in your business. The deduction is based on the cost of the property and its useful life. See the instructions for line 4562, Part I.

You may use Part V to figure depreciation only on property placed in service before 1981. Its use is optional. However, if you placed any property in service after 1980, you must get Form 4562, Depreciation and Amortization, to report depreciation on all property. Enter Part V on line 19, the amount from Form 4562, Part I.

For more information on depreciation, see the instructions for Form 4562 and Publication 534, Depreciation.

### Instructions for

### Schedule C

### Profit or (Loss) From Business or Profession

### Changes You Should Note

**Investment Credit.** The credit was increased from 10% to 15% for property placed in service after 1985, but is still available for business energy property, expenditures to rehabilitate older buildings, and certain transition property contracted for before 1986. To see if you qualify to take this credit, see Form 3468.

**Tax Shelter.** If you are claiming or reporting a tax shelter, loss, credit, other tax benefit, or income on Schedule C from an interest purchased or otherwise acquired in 1986, you must check the box on line 1, and you must file Form 8271, Information Regarding Additional Tax Shelter Transactions, for the additional information, see Form 8271 and its instructions.

**Purpose of Schedule**  
If you operated a business or practiced a profession, you must complete Schedule C. If you had more than one business, or if you and your spouse had separate businesses, you must complete a Schedule C for each business. Farmers should use Schedule F.

**Flies of Forms 1041 and 1041S.** You are not required to complete the block labeled "Other income" (whether or not you are a partner in a partnership) if you are a beneficiary of an estate or trust.

**Other income.** If you are a beneficiary of an estate or trust, you should receive a Schedule K-1 (Form 1041) from the fiduciary. Do not attach the schedule to your return. Keep it for your records. Report your taxable part of the income (whether you received it or not) as follows:

- a. Dividends qualifying for the dividend tax credit (see Form 1040, line 9a). Do not list them on Schedule B.
- b. Capital gains—Schedule O (Form 1040).
- c. Other taxable income less deductions—Schedule E, Part II.

For more information, contact the fiduciary or see Schedule K-1, Form 1041. If you have a loss, see the At-Risk Rules on page 25.

A U.S. person who transferred property to a foreign trust may have to include in income the income received by the trust as a beneficiary of the property. For more information, get Form 3520-A, Annual Return of Foreign Trust With U.S. Beneficiaries.

**S Corporations**  
If you are a shareholder of an S corporation, you should receive a Schedule K-1 (Form 1065) from the S corporation. Do not attach the schedule to your return. Keep it for your records. Report your taxable part of the income (whether you received it or not) or net loss of the corporation on Schedule E in

Instructions for Forms 1099, 1098, 5498, 1095, and W-2, and Publication 316, Information Returns.

In addition, if you receive cash of more than \$10,000 in one or more related transactions in the course of your trade or business, you may have to file Form 8300. Get the instructions for Form 8300 for details.

### Line A

Describe the business or professional activity that provided your principal source of sales or receipts included on Schedule C, Part I, line 1a. Give the general field or industry in which you operate. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), then also give the type of customer or client. For example, "wholesale sale of hardware to retailers" or "residential real estate for lending institutions."

### Line B

Enter on this line the code that identifies your principal business or professional activity. See the instructions on page 2 of Schedule C for details.

### Line C

Use your home address only if you actually conducted the business from your home. You should show a street address instead of a box number.

### Line D

You don't need an employer ID number unless you had a Keogh plan or were required to file an employment, excise, or alcohol, tobacco, and firearms tax return.

### Line E

Your inventories can be valued at:  
a. cost,  
b. any other method approved by the Commissioner of Internal Revenue.

### Line F

You must use the cash method on your return unless you kept account books. If you kept such books, you can use the cash method, accrual method, or in some cases, completed contract or percentage-of-completion method. The period used must clearly reflect your income.

To change your accounting method (including the treatment of any item such as inventories or bad debts), you must usually first get the permission of the Internal Revenue Service. In general, the Form 3118 within the first 180 days of the tax year you want to make the change.

If you use the cash method, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Also show amounts actually paid during the year for deductible expenses. Income is constructively received when it is credited to your account or set aside for you to use in certain situations, you must report as income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4a**  
In certain situations, you must report as income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4b**  
You should enter on line 1b such items as returned sales, rebates, and allowances from the sales price.

**Line 4c**  
In certain situations, you must report as income on line 4c the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4d**  
In certain situations, you must report as income on line 4d the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4e**  
In certain situations, you must report as income on line 4e the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4f**  
In certain situations, you must report as income on line 4f the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4g**  
In certain situations, you must report as income on line 4g the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4h**  
In certain situations, you must report as income on line 4h the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4i**  
In certain situations, you must report as income on line 4i the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4j**  
In certain situations, you must report as income on line 4j the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4k**  
In certain situations, you must report as income on line 4k the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4l**  
In certain situations, you must report as income on line 4l the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4m**  
In certain situations, you must report as income on line 4m the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4n**  
In certain situations, you must report as income on line 4n the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4o**  
In certain situations, you must report as income on line 4o the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

If you use the accrual method, report income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4a**  
In certain situations, you must report as income on line 4a the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4b**  
In certain situations, you must report as income on line 4b the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4c**  
In certain situations, you must report as income on line 4c the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4d**  
In certain situations, you must report as income on line 4d the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4e**  
In certain situations, you must report as income on line 4e the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4f**  
In certain situations, you must report as income on line 4f the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4g**  
In certain situations, you must report as income on line 4g the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4h**  
In certain situations, you must report as income on line 4h the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

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In certain situations, you must report as income on line 4i the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

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In certain situations, you must report as income on line 4j the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4k**  
In certain situations, you must report as income on line 4k the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4l**  
In certain situations, you must report as income on line 4l the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4m**  
In certain situations, you must report as income on line 4m the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4n**  
In certain situations, you must report as income on line 4n the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4o**  
In certain situations, you must report as income on line 4o the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4p**  
In certain situations, you must report as income on line 4p the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4q**  
In certain situations, you must report as income on line 4q the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4r**  
In certain situations, you must report as income on line 4r the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4s**  
In certain situations, you must report as income on line 4s the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4t**  
In certain situations, you must report as income on line 4t the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4u**  
In certain situations, you must report as income on line 4u the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4v**  
In certain situations, you must report as income on line 4v the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4w**  
In certain situations, you must report as income on line 4w the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4x**  
In certain situations, you must report as income on line 4x the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4y**  
In certain situations, you must report as income on line 4y the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4z**  
In certain situations, you must report as income on line 4z the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4aa**  
In certain situations, you must report as income on line 4aa the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4ab**  
In certain situations, you must report as income on line 4ab the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4ac**  
In certain situations, you must report as income on line 4ac the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4ad**  
In certain situations, you must report as income on line 4ad the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

**Line 4ae**  
In certain situations, you must report as income on line 4ae the amount of any credit or refund of overpaid windfall profit tax you received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

### Part III

**Caution:** If you are a member of a partnership, the amounts entered on lines 33 and 34 may affect your net earnings from self-employment on Schedule SE.

### Line 33

In certain situations, you must report as income on line 33 the amount of any credit received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1985 on Schedule E, and received a tax benefit for the deduction on your 1985 tax return. For more information, see the instructions for Form 6243, Computation of Dividend Windfall Profit Tax.

### Line 34

If you are a cash method taxpayer, deduct on line 34 the amount of windfall profit tax actually withheld in 1986.

### Part IV

### Line 37

Enter on this line your total share of gross farming and fishing income as shown on Form 4835, line 8; Schedule K-1 (Form 1065), line 13b; Schedule K-1 (Form 1065), line 13c; and Schedule K-1 (Form 1041), line 10.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

1. your gross farming or fishing income for 1985 or 1986 is at least two-thirds of your gross income, and
2. you file your 1986 tax return and pay the tax due by March 2, 1987.

### Part V

You can deduct an amount each year for property you buy to use in your business. The deduction is based on the cost of the property and its useful life. See the instructions for line 4562, Part I.

You may use Part V to figure depreciation only on property placed in service before 1981. Its use is optional. However, if you placed any property in service after 1980, you must get Form 4562, Depreciation and Amortization, to report depreciation on all property. Enter Part V on line 19, the amount from Form 4562, Part I.

For more information on depreciation, see the instructions for Form 4562 and Publication 534, Depreciation.

### Part III

**Caution:** If you are a member of a partnership, the amounts entered on lines 33 and 34 may affect your net earnings from self-employment on Schedule SE.

### Line 33

In certain situations, you must report as income on line 33 the amount of any credit received in 1986 for tax year 1985, based on income withholding or the net income from the partnership.

In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1985 on Schedule E, and received a tax benefit for the deduction on your 1985 tax return. For more information, see the instructions for Form 6243, Computation of Dividend Windfall Profit Tax.

### Line 34

If you are a cash method taxpayer, deduct on line 34 the amount of windfall profit tax actually withheld in 1986.

### Part IV

### Line 37

Enter on this line your total share of gross farming and fishing income as shown on Form 4835, line 8; Schedule K-1 (Form 1065), line 13b; Schedule K-1 (Form 1065), line 13c; and Schedule K-1 (Form 1041), line 10.

You will not be charged a penalty for underpayment of estimated tax if you meet the following tests:

1. your gross farming or fishing income for 1985 or 1986 is at least two-thirds of your gross income, and
2. you file your 1986 tax return and pay the tax due by March 2, 1987.

### Part V

You can deduct an amount each year for property you buy to use in your business. The deduction is based on the cost of the property and its useful life. See the instructions for line 4562, Part I.

You may use Part V to figure depreciation only on property placed in service before 1981. Its use is optional. However, if you placed any property in service after 1980, you must get Form 4562, Depreciation and Amortization, to report depreciation on all property. Enter Part V on line 19, the amount from Form 4562, Part I.

For more information on depreciation, see the instructions for Form 4562 and Publication 534, Depreciation.

received (or not) or net loss for the prior year that you could not deduct in the prior year. You must also get a copy of your return. You should receive a Schedule K-1 (Form 1065) from the partnership. Do not attach that schedule to your return. Keep it for your records.

If you have other partnership interests, such as depletion, show each claim on a separate Form 1065 on gain or other items on line 29 of Schedule E. If you claimed a credit for prior year partnership losses on line 29 of Schedule E, enter the amount of the credit claimed in column (f) the amount of the credit claimed in 1985. If you have unexpired partnership expenses, show them on a separate line and enter the amount of the expense. If you are claiming a deduction for recovered property (section 179), enter the amount of this deduction on line 29 of Schedule E.

**Note:** The amount of your section 179 deduction from ALL sources cannot be more than \$5,000 (\$2,500 if you are married filing a separate return).

If you are treating S corporation items on your tax return differently from the way the S corporation reported the items on its return, you may have to file Form 8082. If you are claiming a deduction for recovered property (section 179), enter the amount of this deduction on line 29 of Schedule E.

**Note:** The amount of your section 179 deduction from ALL sources cannot be more than \$5,000 (\$2,500 if you are married filing a separate return).



In general, the amount of credit or refund you received is income to the extent you deducted windfall profit tax withheld in 1985 on Schedule C, and received a tax benefit for the deduction on your 1985 tax return. For more information, see the instructions for Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 5).

### Line 4b

Include finance reserve income, scrap sales, amounts recovered from bad debts, interest (such as on notes and accounts receivable), and other income (including tax on gasoline or other fuels claimed on your 1985 Form 1040, and other kinds of miscellaneous income from the business or profession).

If you have listed property that you placed in service after June 18, 1984, and the business use percentage decreased to 25% or less in 1986, report on this line any recaptured depreciation. For more information, see the instructions for Form 4797, line 17, and Form 4797 to figure the amounts to be recaptured.

### Part II Deductions (Lines 6 through 31)

#### Line 7

**Caution:** Cash method taxpayers are not entitled to a bad debt deduction unless the amount was previously included in income. Include debts and partial debts arising from sales or services that were included in income and are definitely known to be uncollectible. For more information, see the instructions for Form 4797 to figure the amounts to be deducted during the year to a bad debt reserve.

If you later collect a debt that you deducted as a bad debt, include it as income in the year you collect it, unless you use the bad debt reserve method. For more information, please see Publication 548, Deduction for Bad Debts.

#### Line 9

You can deduct the actual cost of running your car or truck, or take the standard mileage rate. You must use actual costs if you use more than one vehicle in your business. For more information, see the instructions for Form 4797, line 12, and Publication 548.

**Note:** If you claim any car expenses (actual costs or the standard mileage rate), you must complete Part III of Form 4562, Depreciation and Amortization.

The standard mileage rate is figured at 21 cents a mile up to 15,000 miles, and 11 cents for each mile after that. Add to this amount your parking fees and tolls.

For cars and trucks that have been fully depreciated, the rate is 11 cents a mile. You use the standard rate, the vehicle is considered to have a remaining useful life of 60,000 miles of business use at the maximum standard mileage rate.

If you place a car or truck in service after December 31, 1980, and take the standard mileage rate, you are treated as having elected to exclude this vehicle from ACRS. For more details, get Publication 917, Business Use of a Car.

**Note:** If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in

your trade or business, you may have to pay a Federal highway use tax on these vehicles. Get Form 2950, Heavy Vehicle Use Tax Return. To see if you are subject to the tax.

#### Line 11

Enter your total deduction for depletion on this line. If you claim a deduction for timber depletion, please attach Form T. Get Publication 535 for details.

#### Line 12

You can deduct an amount each year for depreciation on property placed in service to hold to produce investment income. The deduction for depreciation does not apply to stock in trade, inventories, land, and personal assets. You may also choose under Section 179 to expense a portion of the cost of certain depreciable property you bought, leased, or financed after 1980. For more information, see the instructions for Form 4562, Depreciation and Amortization, on line 12 of Schedule C the amount from Form 4562, Part I.

The depreciation deduction for cars, including any section 179 deduction, is limited. The allowable amounts are further limited by the number of miles you drive 100%. In general, for cars or other "listed property," placed in service in 1986, you may not take a section 179 deduction if the property is used 50% or less in your trade or business. If you claim depreciation for any listed property, you must complete Part III of Form 4562, Depreciation and Amortization, on line 12 of Schedule C the amount from Form 4562, Part I.

The depreciation deduction for cars, including any section 179 deduction, is limited. The allowable amounts are further limited by the number of miles you drive 100%. In general, for cars or other "listed property," placed in service in 1986, you may not take a section 179 deduction if the property is used 50% or less in your trade or business. If you claim depreciation for any listed property, you must complete Part III of Form 4562, Depreciation and Amortization, on line 12 of Schedule C the amount from Form 4562, Part I.

If you have listed property (such as a car or light truck) that you placed in service after June 18, 1984, for which you claimed a depreciation deduction, and the business use percentage of the property decreased to 25% or less during 1986, you may have to recapture your depreciation deduction. See any section 179 expense deduction (get Form 4797 and its instructions for details).

**Investment Credit.** The credit has generally been repealed for property placed in service after 1985. See Changea You Should Note on page 28.

If you dispose of investment credit property before the end of its class life or the percentage of the property decreases, or the use of the property changes so that it no longer qualifies, you may have to refigure the credit. Get Form 4255, Recapture of Investment Credit, for details.

#### Line 14

Enter the amount of your contributions that are not an incidental part of a pension or profit-sharing plan included on line 21. Also include here contributions to insurance, health, and welfare programs.

**Lines 17a and 17b**  
If you paid interest that applies to future years, deduct for 1986 only the part that applies to 1986.

If you have a mortgage on real property used in your business, enter on line 17a the interest you paid for 1986 to finance

institutions, if you paid \$500 or more of interest on this mortgage, you should receive a Form 1098, Mortgage Interest Statement, or similar statement, showing the total interest received from you during 1986. You should receive this statement by February 2, 1987. If you and at least one other person own the property, you should file a joint return with your spouse if you are married, or with your partner if you are a joint tenant. For more information, see the instructions for Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 17a, write "see attached."

If you paid more mortgage interest than is shown on Form 1098, attach a statement to your return showing the name and address of the person who received the Form 1098. In the left margin, next to line 17a, write "see attached."

Don't take a deduction on Schedule C for interest you paid or accrued on debts from, but not for, your business. This interest is generally deducted on Schedule E. For more information, get Publication 550, Investment Income and Expenses.

#### Line 21

You should enter the amount you claim as a deduction for contributions to a pension, profit-sharing, or annuity plan, or plans for the benefit of your employees. If the plan includes you as a self-employed person, you should enter contributions made as an employer on your behalf (but not voluntary contributions you made as an employee) on Form 1041, line 27, instead of on Schedule C, line 21.

Generally, you are required to file one of the following forms if you maintain a pension, profit-sharing, or other funded deferred compensation plan whether or not it qualified under the Internal Revenue Code and whether or not you claim a deduction for the current tax year:

Form 5300, 100, complete this form for each \$500,000 of contributions. For each plan with less than 100 participants, complete the applicable form for each plan with less than 100 participants.

The Employee Retirement Income Security Act of 1974 imposes a penalty for failure to timely file these forms. For more information, get Publication 560, Self-Employed Retirement Plans.

#### Line 23

You can deduct the cost of repairs, including labor, supplies, and other items that add to the value or increase the life of the property. Do not deduct the value of your own labor. And do not deduct amounts you spent to restore or replace property. They are chargeable to capital accounts or to the depreciation is charged, depending on how depreciation is charged. For more information, see the instructions for line 12 of Schedule C.

#### Line 25

You can deduct the following taxes:

Enter on line 25a the total salaries and wages paid to your employees, such as benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses that you deducted elsewhere on your return.

**Caution:** If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses that you deducted elsewhere on your return.

Enter on line 25b the jobs credit from Form 5884, Get Publication 906, Jobs Credit, for information on the jobs credit.

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• Real estate and personal property taxes on business assets

• Social security taxes you paid to match taxpayer, deduct on line 29 the amount of windfall profit tax actually withheld in 1986

• Federal highway use tax on heavy vehicles. Get Form 2950, Heavy Vehicle Use Tax Return. To see if you are subject to the tax.

• Federal income taxes

• Estate and gift taxes

• Taxes assessed to pay for improvements, such as paving and sewers

• Taxes on your home or personal property

• Other taxes not related to your business

**Line 28**

You can deduct all ordinary and necessary travel and entertainment expenses paid or incurred in your trade or business. However, you cannot deduct any expense paid or incurred for a facility (such as a hotel) that is used for both business and any activity that is usually considered entertainment, amusement, or recreation.

**Note:** You may be able to treat the expense if the amount is treated as compensation and reported on Form W-2 for an employee or Form 1099-MISC for an independent contractor. (Get Publication 463 for more details.)

**Foreign Conventions.** Generally, you cannot deduct expenses for attending foreign conventions unless it is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area of North America. See Publication 463 for details.

You may be able to deduct up to \$2,000 of the cost of business expenses for attending conventions or similar meetings. You may be able to deduct up to \$4,000 if each spouse attended the meeting and each spouse had at least \$2,000 of qualifying expenses. You must attach two separate statements to your tax return to support the deduction. See Publication 463 for details.

**Real property construction period.** Interest and taxes generally cannot be fully deducted in the year you paid or incurred them. You must capitalize and amortize current year. This rule does not apply to income housing.

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### Line 29

If you hold an operating oil, gas, or mineral interest, and you are a cash method taxpayer, deduct on line 29 the amount of windfall profit tax actually withheld in 1986

### Line 30

Include all ordinary and necessary business expenses. Do not include the cost of business equipment or furniture, replacements or personal improvements to property, or personal living and family expenses.

### Line 33

Any loss from this activity that was not allowed as a deduction last year because of the at-risk provisions is treated as a deduction on line 33. See Form 4562, Amortization, for more information.

### Line 35

You may amortize over a 60-month period

### Line 36

The cost of pollution-control facilities. Certain expenditures made before January 1, 1982, for child care facilities. Up to \$20,000 of the costs to rehabilitate qualified low-income housing. You may amortize over a period of at least 60 months.

### Line 37

Amounts paid for research, experiments, and a trademark or trade name. Certain business startup costs. You may also amortize up to \$10,000 of qualified forestation and reforestation costs over an 84-month period.

### Line 38

If you own a certified historic structure and pay for its restoration, you may apply for a special rule. See Publication 535, Business Expenses, for more information.

### Line 39

You can deduct up to \$35,000 of the costs you paid or incurred in 1986 to remove architectural or transportation barriers to the handicapped and the elderly. See Publication 535 for more details.

### Line 40

If you lease business property, you may be able to elect to depreciate or amortize your leasehold interest. See Publication 535 for details.

### Line 41

**Real property construction period.** Interest and taxes generally cannot be fully deducted in the year you paid or incurred them. You must capitalize and amortize current year. This rule does not apply to income housing.

### Line 42

If you have a loss, go on line 33 before entering your loss on line 32. For net profit or deductible loss here and combine this amount with the profit or (loss) from your other businesses, if any. Enter the total

on Form 1040, line 12, and Schedule SE, Part I, line 2 (or Form 1041, line 5).

### Line 33

Deductions for losses by persons who are engaged in a trade or business or an activity for the production of income, except the loss from the sale of real property (other than mineral property), are limited to the amount they have at risk in the business.

If you have (1) a loss from any activity that you engaged in as a trade or business or for the production of income, except the holding of real property (other than mineral property) placed in service before January 1, 1987, and (2) a loss from any other activity, which you are not at risk in the activity, use Form 6198, Computation of Deductible Loss From an Activity Described in Section 465(c), to determine the allowable loss to report on Schedule C.

Answer the question on line 33, "YES" if you have amounts for which you are not at risk in this business, such as the following:

1. nonrecourse loans or protected against guarantee, stop-loss agreement, or similar arrangement; or

2. amounts protected against loss by a guarantee, stop-loss agreement, or similar arrangement; or

3. loans from someone who has an interest in your business, or from a person who is related, under section 168(e)(4), to a person (other than yourself) having such an interest; or

4. amounts contributed to your business, or to your interest in the business that is covered by

a. nonrecourse loans or protected against guarantee, stop-loss agreement, or similar arrangement; or

b. loans from a person described in 3 above. If you do not have any of these kinds of business, answer the question "NO" and enter your loss on line 32.

If you answered "YES" to the question on line 33, get Form 6198 to determine the amount of your deduction for loss and enter that amount on line 32. If the amount is zero or less, enter zero on line 32.

Be sure to attach Form 6198 to your return. If you answer "Yes" to the question on line 33 and you fail to attach Form 6198, your deduction for your loss will be disallowed.

If, in addition to the amount that you reported on line 32, you also disposed of an asset used in your business, the risk rules apply and you have amounts in the activity for which you are not at risk, see the instructions for Form 6198.

Any loss from this business not allowed for 1986 is treated as a deduction allocable to the business in 1987. Publication 536, For more details, get Publication 536, Net Operating Losses, and Publication 6198. Also see the instructions for Form 6198.

### Part III

#### Cost of Goods Sold and/or Operations

Cost of Goods Sold. If you engaged in a business in 1986, enter the cost of goods sold, purchase, or sale of merchandise was an



income-producing factor, merchandise inventories must be taken into account at the beginning and end of your tax year.

**Cost of Operations (Inventories)** Not an income-producing factor. If the amount on Part III as appropriate.

## Instructions for Schedule SE

### Social Security Self-Employment Tax

**Purpose of Schedule SE** Schedule SE is used by self-employed persons and employees of electing organizations to figure any self-employment tax due. The Social Security Administration uses the information provided on Schedule SE to figure benefits for self-employment. Social security self-employment tax applies to your net earnings from self-employment if you are receiving social security benefits.

### Who Must Use Schedule SE

You must use Schedule SE if:

- you were self-employed and your net earnings from self-employment were \$400 or more (\$100 or more if you were an employee of an electing church or a partner in a partnership);
- you did not have wages (including tips) other than Medicare qualified government wages of \$42,000 or more that were subject to social security tax; or
- you had a loss from self-employment.

### Who Can Use Schedule SE

You can use Schedule SE if you will benefit from using the optional method of figuring self-employment earnings.

The optional method may benefit you if:

- your self-employment earnings are less than \$400 and Form 1040, line 33, is less than \$11,000 and you want to claim the earned income credit; or
- you had a loss from self-employment and you need to increase your net earnings to avoid a refund claim.

The optional method may give you credit toward your social security coverage even though you have a loss or low income from self-employment. However, the optional method may require you to pay self-employment tax when none would otherwise be required.

### Fiscal Year Filers

If your tax year is a fiscal year, you must use the tax rate and earnings base that apply at the time the fiscal year begins. The tax or earnings base for the fiscal year that overlaps the date of a rate or earnings base change is not prorated.

### More Than One Business

If you farmed and had at least one other trade or business or had two or more trades

or businesses, your net earnings from self-employment are the combined net earnings from all your businesses. If you had a loss in one trade or business, it reduces the income from another. Figure the combined net-employment tax on Schedule SE.

### Joint Returns

Show the name of the spouse with self-employment income on Schedule SE if:

- you are married and your combined net income, each must file a separate Schedule SE. Include the total profits or losses from all businesses on Form 1040, as appropriate. Then enter the combined self-employment tax on Form 1040, line 50.

### Community Income

If any of the income from a business, including farming, is community income, all the income from that business is considered community income. If the spouse of the person who owns the business is also an owner, there is a husband and wife partnership. The identity of the spouse who carried on the trade or business is determined by the facts in each situation.

If you and your spouse file separate returns, attach Schedule SE to the return of the person who carried on the business. Also attach Schedule SE (and/or Form 1040) to the return of the other spouse on these schedules must be divided for income tax purposes, on the basis of the community property laws.

### Partnerships

When figuring your combined net earnings from self-employment, include your share of partnership income or loss attributable to a trade or business and any guaranteed payments received from your limited partner. Guaranteed payments are included in self-employment income. Line 13a of Schedule K-1 (Form 1065) should show your net earnings or loss from self-employment.

If your partnership is engaged solely in the operation of a group investment vehicle, the partnership is treated as a general or limited partner.

If a husband and wife are both partners in a partnership, each spouse is subject to self-employment tax on his or her own share of partnership income. Each spouse must file a Schedule SE for self-employment tax on his or her share of partnership income or loss on Schedule SE (Form 1040), Part II, for income tax purposes.

Self-employment income belongs to the person who is the member of the partnership and cannot be treated as self-employment income by the nonmember spouse. This applies even in community property states.

If a partner in a continuing partnership dies, the partnership's distributive share of partnership income for the year must be included in the partner's net earnings from self-employment. Get Publication 533, Self-Employment Tax, if your partnership has a fiscal year.

### Share-Farming

If you produced crops or livestock on land belonging to another for a share of the crops or livestock produced, or the proceeds from

them, you are an independent contractor and a self-employed person rather than an employee. Report your net earnings from self-employment on Schedule F and for self-employment tax on Schedule SE. For more information, get Publication 225, Farmer's Tax Guide.

### Exemption From Self-Employment Tax for Members of the Clergy and Certain Religious Orders and Societies

Income you received as a duly ordained, commissioned, or licensed minister of a religious order or society, or as a member of a Christian Science practitioner is subject to social security self-employment tax unless you filed Form 4361 and received IRS approval to exempt your ministerial earnings. If you have received IRS approval to exempt your ministerial earnings, you must attach Form 4361 to your Schedule SE. If you filed Form 4361, do not file Form 4029. If you filed Form 4361, but have \$400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

**Note:** If you have ever filed Form 2031 to elect social security coverage on your ministerial earnings, you cannot apply for exemption from self-employment tax. Form 4361 is on Form 1040, line 50. If you filed Form 4361, but have \$400 or more from other earnings subject to self-employment tax, you must complete Schedule SE.

If you have conscientious objections to social security, you may also want to request exemption from self-employment tax by filing Form 4029. If you filed Form 4029 and have received IRS approval to exempt your ministerial earnings, you must attach Form 4029 to your Schedule SE. If you filed Form 4029, do not file Form 4361.

**Coverage for Overseas Missionaries** If you are a U.S. citizen and a minister of a religious order (a religious practitioner) or a member of a religious order (a religious worker) in the United States, you may figure earnings from self-employment as if you were serving in the United States (provided you have not elected exemption from coverage). For more information, get Publication 517, Social Security Coverage for Members of the Clergy and Religious Workers.

### Employers of Churches and Qualified Church-Controlled Organizations

**Note:** If you are a minister or member of a religious order, do not use the following instructions. If you are employed by a church or a qualified church-controlled organization that has in effect a certificate electing exemption from employer social security taxes, and you received wages of \$100 or more from one church or church-controlled organization, you may be subject to self-employment tax. See the following instructions unless you also have the following qualified government wages and must use the worksheet on line 12b:

If your W-2 wages from a church or a qualified church-controlled organization are the only self-employment income you have, enter your church wages on line 12c. Ship, enter your church wages on line 12a. Enter your church wages on line 12a or line 12c. Figure your self-employment tax on the amount on line 13.

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If you have other self-employment income (loss) on line 9, use the following instructions:

- a. Enter your church wages on line 12c.
- b. If line 9 is less than \$400, enter the smaller of line 12a or line 12c on line 13.

c. If line 9 is \$400 or more, add lines 9 and 12c and enter the smaller of that total or line 28 on line 13.

Four. Do not file Form 4029 with respect to wages you receive from a church or a church-controlled organization that has elected to treat its employees as self-employed.

### U.S. Citizens Employed by Foreign Governments or International Organizations

You are subject to the self-employment tax if you are a U.S. citizen employed in the United States, Puerto Rico, Guam, American Samoa, the Northern Mariana Islands, or the Virgin Islands, by a foreign government, and in certain cases, by a wholly owned instrumentality of a foreign government or under the International Organizations Immunities Act. Report income from this employment on Form 1040, line 2. If you are employed by a foreign government or international organization in a country other than those listed, you are not subject to self-employment tax.

**Self-Employed U.S. Citizens or Resident Aliens Living Outside the United States** If you are a self-employed U.S. citizen or resident alien living outside the United States, you are generally subject to the self-employment tax. Your foreign earnings from self-employment are reduced by the deduction for certain foreign taxes paid. However, you may not reduce your foreign earnings from self-employment by your foreign earned income exclusion.

### Specific Instructions

Name of Self-Employed Person. Enter the name and social security number of the self-employed person as it appears on that person's social security card.

### Part I Regular Computation of Net Earnings From Self-Employment

Generally, net earnings from self-employment is your net profit from a sole proprietorship operated by you and your distributions from a partnership. (See instructions on page 31 for when to use net earnings from a partnership or loss.) See the instructions below for income included or not included in net earnings from self-employment.

Lines 1 and 2.—Exclude from lines 1 and 2 any income or expense not included in figuring net earnings from self-employment and attach an explanation. Line 1 is your net earnings from self-employment. Line 2 is your net earnings from self-employment after deducting expense deduction for recovery property (section 179) claimed, oil or gas depletion, or unreimbursed partnership expenses. If you deposited earnings into a capital construction fund established under the

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Merchant Marine Act of 1936, get Publication 595, Tax Guide for Commercial Fishermen, for more information.

If you are a duly ordained minister who is an employee of a church and you are subject to self-employment tax, the unremitted business expenses that you incurred in performing your services as an employee of a church are deductible (as an itemized deduction) are deducted from your self-employment earnings in figuring your self-employment tax. For more information, get Publication 517.

### Earnings From Self-Employment Not Included in Net Earnings From Self-Employment

- Salaries, fees, etc., subject to social security tax that you received for performing services as an employee, including services performed as a public official (except as explained under Other Income Included in Net Earnings From Self-Employment) or as an employee of a government or as an employee of a railroad retirement system.

- Income you received as a retired partner under a written partnership plan that provides for periodic retirement payments if you were not a partner in the partnership and did not perform services for it during the year.

- Real estate rentals, unless received in the course of a trade or business as a real estate dealer. These include cash and crop shares received from a tenant or amounts on Schedule E. Report these amounts on Schedule E.

- Dividends on shares of stock and interest on bonds, notes, etc., unless received in the course of your trade or business as a dealer in stocks or securities.

- Gain or loss from:
  - a. the sale or exchange of a capital asset;
  - b. the sale, exchange, involuntary conversion, or other disposition of property, other than real estate, stock in trade, or other property that would be included in net earnings from self-employment;

- Customers in the ordinary course of the business, or

- Net operating losses from other years.

### Other Income Included in Net Earnings From Self-Employment

- Rental income from a farm if the rental arrangement provides for material participation by the landlord and, as landlord, you are engaged in the production or management of the production of products on this land. This income is farm earnings. (To determine whether you participated materially in farm management or production, do not consider the activities of any agent who acted for you.)

- The net profit from a partnership in kind received from the partnership.

- Payments for the use of rooms or other space, such as rooms in hotels, boarding houses, tourist camps, or homes, when substantial services are also provided.

- Payments you received for space in parking lots, trailer parks, warehouses, or other facilities.

- Newspaper and magazine if you are 18 or over and recd the profits.

- For a farm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. If the partnership has no guaranteed payments, only guaranteed payments.

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- Income you received as a crew member of a fishing vessel with a crew of normally less than 10. Get Publication 595 for more information.

- Fees you received for services performed as a state or local government employee provided you are compensated solely on a fee basis and the position is not covered under a Federal Social Security coverage agreement.

- Interest received in the course of any business, including interest on notes or accounts receivable.

- The rental value of a home or an allowance for a home furnished you if you are a minister or member of a religious order.

- The value of meals and lodging provided to you for the convenience of your employer if you are a minister or member of a religious order.

- Director's fees and other payments received by a director of a corporation for services rendered.

- Recapture amounts under sections 179 and 280F that were included in gross income because the business use of the property used in your trade or business amounts recaptured on the disposition of property. See Form 4797, Gains and Losses from Depreciable Assets.

- Used in a Trade or Business of a Landlord. Conversions for more information.

- Fiduciaries' fees received by professional fiduciaries. Also, nonprofessional fiduciaries if the fees relate to active participation in the operation of the estate's trade or business or the facts indicate the fiduciary management activities over a long period of time.

- Option and commodity dealers engaged in trading section 1256 contracts. See section 1402(i) to determine net earnings from self-employment.

### Part II Optional Method for Figuring Net Earnings From Farm Self-Employment

If your gross farm income for the year was not more than \$2,400, you can report two thirds of your gross farm income instead of your actual net earnings from farming.

If your gross farm income was more than \$2,400, and your net farm profits were less than \$1,600, you can report \$1,600 on line 4.

This method can be used to increase or decrease net farm earnings, even if the net farm income is a loss. There is no limit on how many times you can elect this optional method. If you use this method, you must apply it to all farm earnings from self-employment for the year you may change the method (from actual net earnings to optional net or the reverse) after you file your return.

For a farm partnership, your share of gross income is figured according to the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payment plus your share of the gross income after it is reduced by all guaranteed payments of the partnership. If the partnership has no guaranteed payments, only guaranteed payments.

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**Line 15** You can deduct what you spent to conserve your soil or water, or to prevent erosion of your land. You also deduct what you paid to and for water district for conservation expenses. Do not deduct more than 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land) if your conservation expenses are more than the limit, you can carry the excess over to following years.

**Line 18** If you use the cash method, show what you paid for feed to be consumed by your livestock in the year of payment. However, the feed is to be consumed in a later tax year, the expenses might not be deductible.

**Caution:** If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as farm labor the amount applicable to depreciation and other expenses claimed elsewhere.

Enter on line 24b the jobs credit from Form 5884. Get Publication 906, Jobs and Research Credits, for information on the jobs credit.

Enter what you paid for gas, electricity, water, etc., for business use on the farm. Do not include personal utilities.

**Get Form 2290, Heavy Vehicle Use Tax Return, to see if you are subject to the tax.**

Any loss from this activity not allowed for 1986 is treated as a deduction allocable to the activity in 1987

**Farm Income—Accrual Method** If you use the accrual method, report farm income when you earn it, not when you receive it. Generally, you must inventory your animals and crops if you use this method. Get Publication 538, *Accounting Methods, Periods and Methods*, for exceptions, inventory methods, and how to change methods of accounting.

Enter the amount you got from the sales of livestock, produce, grains, and other products you raised

See instructions for Part I, lines 5, 7, 8, 10, and 11.

## 1986 Tax Table

## Based on Taxable Income

For persons with taxable incomes of less than \$50,000.

Your zero bracket amount has been built into the Tax Table.

Example: Mr. and Mrs. Brown are filing a joint return. Their taxable income on line 37 of Form 1040 is \$25,325. First, they find the \$25,300 to \$25,350 income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the income line and filing status column meet is \$3,470. This is the tax amount they must write on line 38 of their return.

At least	But less than	Single	Your tax is—				Married filing jointly	Married filing separately	Head of a household
25,200	25,250	4,406	3,448	5,468	4,075				
25,250	25,300	4,419	3,459	5,487	4,087				
25,300	25,350	4,432	3,470	5,506	4,099				
25,350	25,400	4,446	3,481	5,525	4,112				

If line 37 (taxable income) is—	And you are—			If line 37 (taxable income) is—	And you are—			If line 37 (taxable income) is—	And you are—			If line 37 (taxable income) is—	And you are—																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																
	Single	Married filing jointly	Head of a household		Single	Married filing jointly	Head of a household		Single	Married filing jointly	Head of a household		Single	Married filing jointly	Head of a household																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
2,000	2,025	0	0	20	2,050	0	0	20	2,075	0	0	20	2,100	0	0	20	2,125	0	0	20	2,150	0	0	20	2,175	0	0	20	2,200	0	0	20	2,225	0	0	20	2,250	0	0	20	2,275	0	0	20	2,300	0	0	20	2,325	0	0	20	2,350	0	0	20	2,375	0	0	20	2,400	0	0	20	2,425	0	0	20	2,450	0	0	20	2,475	0	0	20	2,500	0	0	20	2,525	0	0	20	2,550	0	0	20	2,575	0	0	20	2,600	0	0	20	2,625	0	0	20	2,650	0	0	20	2,675	0	0	20	2,700	0	0	20	2,725	0	0	20	2,750	0	0	20	2,775	0	0	20	2,800	0	0	20	2,825	0	0	20	2,850	0	0	20	2,875	0	0	20	2,900	0	0	20	2,925	0	0	20	2,950	0	0	20	2,975	0	0	20	3,000	0	0	20	3,025	0	0	20	3,050	0	0	20	3,075	0	0	20	3,100	0	0	20	3,125	0	0	20	3,150	0	0	20	3,175	0	0	20	3,200	0	0	20	3,225	0	0	20	3,250	0	0	20	3,275	0	0	20	3,300	0	0	20	3,325	0	0	20	3,350	0	0	20	3,375	0	0	20	3,400	0	0	20	3,425	0	0	20	3,450	0	0	20	3,475	0	0	20	3,500	0	0	20	3,525	0	0	20	3,550	0	0	20	3,575	0	0	20	3,600	0	0	20	3,625	0	0	20	3,650	0	0	20	3,675	0	0	20	3,700	0	0	20	3,725	0	0	20	3,750	0	0	20	3,775	0	0	20	3,800	0	0	20	3,825	0	0	20	3,850	0	0	20	3,875	0	0	20	3,900	0	0	20	3,925	0	0	20	3,950	0	0	20	3,975	0	0	20	4,000	0	0	20	4,025	0	0	20	4,050	0	0	20	4,075	0	0	20	4,100	0	0	20	4,125	0	0	20	4,150	0	0	20	4,175	0	0	20	4,200	0	0	20	4,225	0	0	20	4,250	0	0	20	4,275	0	0	20	4,300	0	0	20	4,325	0	0	20	4,350	0	0	20	4,375	0	0	20	4,400	0	0	20	4,425	0	0	20	4,450	0	0	20	4,475	0	0	20	4,500	0	0	20	4,525	0	0	20	4,550	0	0	20	4,575	0	0	20	4,600	0	0	20	4,625	0	0	20	4,650	0	0	20	4,675	0	0	20	4,700	0	0	20	4,725	0	0	20	4,750	0	0	20	4,775	0	0	20	4,800	0	0	20	4,825	0	0	20	4,850	0	0	20	4,875	0	0	20	4,900	0	0	20	4,925	0	0	20	4,950	0	0	20	4,975	0	0	20	5,000	0	0	20	5,025	0	0	20	5,050	0	0	20	5,075	0	0	20	5,100	0	0	20	5,125	0	0	20	5,150	0	0	20	5,175	0	0	20	5,200	0	0	20	5,225	0	0	20	5,250	0	0	20	5,275	0	0	20	5,300	0	0	20	5,325	0	0	20	5,350	0	0	20	5,375	0	0	20	5,400	0	0	20	5,425	0	0	20	5,450	0	0	20	5,475	0	0	20	5,500	0	0	20	5,525	0	0	20	5,550	0	0	20	5,575	0	0	20	5,600	0	0	20	5,625	0	0	20	5,650	0	0	20	5,675	0	0	20	5,700	0	0	20	5,725	0	0	20	5,750	0	0	20	5,775	0	0	20	5,800	0	0	20	5,825	0	0	20	5,850	0	0	20	5,875	0	0	20	5,900	0	0	20	5,925	0	0	20	5,950	0	0	20	5,975	0	0	20	6,000	0	0	20	6,025	0	0	20	6,050	0	0	20	6,075	0	0	20	6,100	0	0	20	6,125	0	0	20	6,150	0	0	20	6,175	0	0	20	6,200	0	0	20	6,225	0	0	20	6,250	0	0	20	6,275	0	0	20	6,300	0	0	20	6,325	0	0	20	6,350	0	0	20	6,375	0	0	20	6,400	0	0	20	6,425	0	0	20	6,450	0	0	20	6,475	0	0	20	6,500	0	0	20	6,525	0	0	20	6,550	0	0	20	6,575	0	0	20	6,600	0	0	20	6,625	0	0	20	6,650	0	0	20	6,675	0	0	20	6,700	0	0	20	6,725	0	0	20	6,750	0	0	20	6,775	0	0	20	6,800	0	0	20	6,825	0	0	20	6,850	0	0	20	6,875	0	0	20	6,900	0	0	20	6,925	0	0	20	6,950	0	0	20	6,975	0	0	20	7,000	0	0	20	7,025	0	0	20	7,050	0	0	20	7,075	0	0	20	7,100	0	0	20	7,125	0	0	20	7,150	0	0	20	7,175	0	0	20	7,200	0	0	20	7,225	0	0	20	7,250	0	0	20	7,275	0	0	20	7,300	0	0	20	7,325	0	0	20	7,350	0	0	20	7,375	0	0	20	7,400	0	0	20	7,425	0	0	20	7,450	0	0	20	7,475	0	0	20	7,500	0	0	20	7,525	0	0	20	7,550	0	0	20	7,575	0	0	20	7,600	0	0	20	7,625	0	0	20	7,650	0	0	20	7,675	0	0	20	7,700	0	0	20	7,725	0	0	20	7,750	0	0	20	7,775	0	0	20	7,800	0	0	20	7,825	0	0	20	7,850	0	0	20	7,875	0	0	20	7,900	0	0	20	7,925	0	0	20	7,950	0	0	20	7,975	0	0	20	8,000	0	0	20	8,025	0	0	20	8,050	0	0	20	8,075	0	0	20	8,100	0	0	20	8,125	0	0	20	8,150	0	0	20	8,175	0	0	20	8,200	0	0	20	8,225	0	0	20	8,250	0	0	20	8,275	0	0	20	8,300	0	0	20	8,325	0	0	20	8,350	0	0	20	8,375	0	0	20	8,400	0	0	20	8,425	0	0	20	8,450	0	0	20	8,475	0	0	20	8,500	0	0	20	8,525	0	0	20	8,550	0	0	20	8,575	0	0	20	8,600	0	0	20	8,625	0	0	20	8,650	0	0	20	8,675	0	0	20	8,700	0	0	20	8,725	0	0	20	8,750	0	0	20	8,775	0	0	20	8,800	0	0	20	8,825	0	0	20	8,850	0	0	20	8,875	0	0	20	8,900	0	0	20	8,925	0	0	20	8,950	0	0	20	8,975	0	0	20	9,000	0	0	20	9,025	0	0	20	9,050	0	0	20	9,075	0	0	20	9,100	0	0	20	9,125	0	0	20	9,150	0	0	20	9,175	0	0	20	9,200	0	0	20	9,225	0	0	20	9,250	0	0	20	9,275	0	0	20	9,300	0	0	20	9,325	0	0	20	9,350	0	0	20	9,375	0	0	20	9,400	0	0	20	9,425	0	0	20	9,450	0	0	20	9,475	0	0	20	9,500	0	0	20	9,525	0	0	20	9,550	0	0	20	9,575	0	0	20	9,600	0	0	20	9,625	0	0	20	9,650	0	0	20	9,675	0	0	20	9,700	0	0	20	9,725	0	0	20	9,750	0	0	20	9,775	0	0	20	9,800	0	0	20	9,825	0	0	20	9,850	0	0	20	9,875	0	0	20	9,900	0	0	20	9,925	0	0	20	9,950	0	0	20	9,975	0	0	20	10,000	0	0	20	10,025	0	0	20	10,050	0	0	20	10,075	0	0	20	10,100	0	0	20	10,125	0	0	20	10,150	0	0	20	10,175	0	0	20	10,200	0	0	20	10,225	0	0	20	10,250	0	0	20	10,275	0	0	20	10,300	0	0	20	10,325	0	0	20	10,350	0	0	20	10,375	0	0	20	10,400	0	0	20	10,425	0	0	20	10,450	0	0	20	10,475	0	0	20	10,500	0	0	20	10,525	0	0	20	10,550	0	0	20	10,575	0	0	20	10,600	0	0	20	10,625	0	0	20	10,650	0	0	20	10,675	0	0	20	10,700	0	0	20	10,725	0	0	20	10,750	0	0	20	10,775	0	0	20	10,800	0	0	20	10,825	0	0	20	10,850	0	0	20	10,875	0	0	20	10,900	0	0	20	10,925	0	0	20	10,950	0	0	20	10,975	0	0	20	11,000	0	0	20	11,025	0	0	20	11,050	0	0	20	11,075	0	0	20	11,100	0	0	20	11,125	0	0	20	11,150	0	0	20	11,175	0	0	20	11,200	0	0	20	11,225	0	0	20	11,250	0	0	20	11,275	0	0	20	11,300	0	0	20	11,325	0	0	20	11,350	0	0	20	11,375	0	0	20	11,400	0	0	20	11,425	0	0	20	11,450	0	0	20	11,475	0	0	20	11,500	0	0	20	11,525	0	0	20	11,550	0	0	20	11,575	0	0	20	11,600	0	0	20	11,625	0	0	20	11,650	0	0	20	11,675	0	0	20	11,700	0	0	20	11,725	0	0	20	11,750	0	0	20	11,775	0	0	20	11,800	0	0	20	11,825	0	0	20	11,850	0	0	20	11,875	0	0	20	11,900	0	0	20	11,925	0	0	20	11,950	0	0	20	11,975	0	0	20	12,000	0	0	20	12,025	0	0	20	12,050	0	0	20	12,075	0	0	20	12,100	0	0	20	12,125	0	0	20	12,150	0	0	20	12,175	0	0	20	12,200	0	0	20	12,225	0	0	20	12,250	0	0	20	12,275	0	0	20	12,300	0	0	20	12,325	0	0	20	12,350	0	0	20	12,375	0	0	20	12,40



1986 Tax Table—Continued

If line 37 (taxable income) is—		And you are—		If line 37 (taxable income) is—		And you are—		If line 37 (taxable income) is—		And you are—	
At least	But less than	Single	Married joint	At least	But less than	Single	Married joint	At least	But less than	Single	Married joint
23,000		Your tax is—		26,000		Your tax is—		29,000		Your tax is—	
23,000	23,050	3,834	2,964	26,000	26,050	4,641	3,624	29,000	29,050	5,541	4,358
23,050	23,100	3,847	2,975	26,050	26,100	4,656	3,635	29,050	29,100	5,556	4,373
23,100	23,150	3,860	2,986	26,100	26,150	4,671	3,646	29,100	29,150	5,571	4,388
23,150	23,200	3,873	2,997	26,150	26,200	4,686	3,657	29,150	29,200	5,586	4,403
23,200	23,250	3,886	3,008	26,200	26,250	4,701	3,668	29,200	29,250	5,601	4,418
23,250	23,300	3,899	3,019	26,250	26,300	4,716	3,679	29,250	29,300	5,616	4,433
23,300	23,350	3,912	3,030	26,300	26,350	4,731	3,690	29,300	29,350	5,631	4,448
23,350	23,400	3,925	3,041	26,350	26,400	4,746	3,701	29,350	29,400	5,646	4,463
23,400	23,450	3,938	3,052	26,400	26,450	4,761	3,712	29,400	29,450	5,661	4,478
23,450	23,500	3,951	3,063	26,450	26,500	4,776	3,723	29,450	29,500	5,676	4,493
23,500	23,550	3,964	3,074	26,500	26,550	4,791	3,734	29,500	29,550	5,691	4,508
23,550	23,600	3,977	3,085	26,550	26,600	4,806	3,745	29,550	29,600	5,706	4,523
23,600	23,650	3,990	3,096	26,600	26,650	4,821	3,756	29,600	29,650	5,721	4,538
23,650	23,700	4,003	3,107	26,650	26,700	4,836	3,767	29,650	29,700	5,736	4,553
23,700	23,750	4,016	3,118	26,700	26,750	4,851	3,778	29,700	29,750	5,751	4,568
23,750	23,800	4,029	3,129	26,750	26,800	4,866	3,789	29,750	29,800	5,766	4,583
23,800	23,850	4,042	3,140	26,800	26,850	4,881	3,800	29,800	29,850	5,781	4,598
23,850	23,900	4,055	3,151	26,850	26,900	4,896	3,811	29,850	29,900	5,796	4,613
23,900	23,950	4,068	3,162	26,900	26,950	4,911	3,822	29,900	29,950	5,811	4,628
23,950	24,000	4,081	3,173	26,950	27,000	4,926	3,833	29,950	30,000	5,826	4,643
24,000		Your tax is—		27,000		Your tax is—		30,000		Your tax is—	
24,000	24,050	4,094	3,184	27,000	27,050	4,941	3,850	30,000	30,050	5,841	4,658
24,050	24,100	4,107	3,195	27,050	27,100	4,956	3,861	30,050	30,100	5,856	4,673
24,100	24,150	4,120	3,205	27,100	27,150	4,971	3,872	30,100	30,150	5,871	4,688
24,150	24,200	4,133	3,216	27,150	27,200	4,986	3,883	30,150	30,200	5,886	4,703
24,200	24,250	4,146	3,227	27,200	27,250	5,001	3,894	30,200	30,250	5,901	4,718
24,250	24,300	4,159	3,238	27,250	27,300	5,016	3,905	30,250	30,300	5,916	4,733
24,300	24,350	4,172	3,249	27,300	27,350	5,031	3,916	30,300	30,350	5,931	4,748
24,350	24,400	4,185	3,260	27,350	27,400	5,046	3,927	30,350	30,400	5,946	4,763
24,400	24,450	4,198	3,271	27,400	27,450	5,061	3,938	30,400	30,450	5,961	4,778
24,450	24,500	4,211	3,282	27,450	27,500	5,076	3,949	30,450	30,500	5,976	4,793
24,500	24,550	4,224	3,293	27,500	27,550	5,091	3,960	30,500	30,550	5,991	4,808
24,550	24,600	4,237	3,304	27,550	27,600	5,106	3,971	30,550	30,600	6,006	4,823
24,600	24,650	4,250	3,315	27,600	27,650	5,121	3,982	30,600	30,650	6,021	4,838
24,650	24,700	4,263	3,326	27,650	27,700	5,136	3,993	30,650	30,700	6,036	4,853
24,700	24,750	4,276	3,337	27,700	27,750	5,151	4,004	30,700	30,750	6,051	4,868
24,750	24,800	4,289	3,348	27,750	27,800	5,166	4,015	30,750	30,800	6,066	4,883
24,800	24,850	4,302	3,359	27,800	27,850	5,181	4,026	30,800	30,850	6,081	4,898
24,850	24,900	4,315	3,370	27,850	27,900	5,196	4,037	30,850	30,900	6,096	4,913
24,900	24,950	4,328	3,381	27,900	27,950	5,211	4,048	30,900	30,950	6,111	4,928
24,950	25,000	4,341	3,392	27,950	28,000	5,226	4,059	30,950	31,000	6,126	4,943
25,000		Your tax is—		28,000		Your tax is—		31,000		Your tax is—	
25,000	25,050	4,354	3,403	28,000	28,050	5,241	4,070	31,000	31,050	6,141	4,958
25,050	25,100	4,367	3,414	28,050	28,100	5,256	4,081	31,050	31,100	6,156	4,973
25,100	25,150	4,380	3,425	28,100	28,150	5,271	4,092	31,100	31,150	6,171	4,988
25,150	25,200	4,393	3,436	28,150	28,200	5,286	4,103	31,150	31,200	6,186	4,998
25,200	25,250	4,406	3,447	28,200	28,250	5,301	4,114	31,200	31,250	6,201	5,008
25,250	25,300	4,419	3,458	28,250	28,300	5,316	4,125	31,250	31,300	6,216	5,018
25,300	25,350	4,432	3,469	28,300	28,350	5,331	4,136	31,300	31,350	6,231	5,028
25,350	25,400	4,445	3,480	28,350	28,400	5,346	4,147	31,350	31,400	6,246	5,038
25,400	25,450	4,458	3,491	28,400	28,450	5,361	4,158	31,400	31,450	6,261	5,048
25,450	25,500	4,471	3,502	28,450	28,500	5,376	4,169	31,450	31,500	6,276	5,058
25,500	25,550	4,484	3,513	28,500	28,550	5,391	4,180	31,500	31,550	6,291	5,068
25,550	25,600	4,497	3,524	28,550	28,600	5,406	4,191	31,550	31,600	6,306	5,078
25,600	25,650	4,510	3,535	28,600	28,650	5,421	4,202	31,600	31,650	6,321	5,088
25,650	25,700	4,523	3,546	28,650	28,700	5,436	4,213	31,650	31,700	6,336	5,098
25,700	25,750	4,536	3,557	28,700	28,750	5,451	4,224	31,700	31,750	6,351	5,108
25,750	25,800	4,549	3,568	28,750	28,800	5,466	4,235	31,750	31,800	6,366	5,118
25,800	25,850	4,562	3,579	28,800	28,850	5,481	4,246	31,800	31,850	6,381	5,128
25,850	25,900	4,575	3,590	28,850	28,900	5,496	4,257	31,850	31,900	6,396	5,138
25,900	25,950	4,588	3,601	28,900	28,950	5,511	4,268	31,900	31,950	6,411	5,148
25,950	26,000	4,601	3,612	28,950	29,000	5,526	4,279	31,950	32,000	6,426	5,158

\* This column must also be used by a qualifying widow(er).

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1986 Tax Table—Continued

If line 37 (taxable income) is—		And you are—		If line 37 (taxable income) is—		And you are—		If line 37 (taxable income) is—		And you are—	
At least	But less than	Single	Married joint	At least	But less than	Single	Married joint	At least	But less than	Single	Married joint
14,000		Your tax is—		20,000		Your tax is—		26,000		Your tax is—	
14,000	14,050	1,737	1,368	20,000	20,050	3,054	2,375	26,000	26,050	4,641	3,624
14,050	14,100	1,747	1,376	20,050	20,100	3,067	2,386	26,050	26,100	4,656	3,635
14,100	14,150	1,757	1,384	20,100	20,150	3,080	2,397	26,100	26,150	4,671	3,646
14,150	14,200	1,767	1,392	20,150	20,200	3,093	2,408	26,150	26,200	4,686	3,657
14,200	14,250	1,777	1,400	20,200	20,250	3,106	2,419	26,200	26,250	4,701	3,668
14,250	14,300	1,787	1,408	20,250	20,300	3,119	2,430	26,250	26,300	4,716	3,679
14,300	14,350	1,797	1,416	20,300	20,350	3,132	2,441	26,300	26,350	4,731	3,690
14,350	14,400	1,807	1,424	20,350	20,400	3,145	2,452	26,350	26,400	4,746	3,701
14,400	14,450	1,817	1,432	20,400	20,450	3,158	2,463	26,400	26,450	4,761	3,712
14,450	14,500	1,827	1,440	20,450	20,500	3,171	2,474	26,450	26,500	4,776	3,723
14,500	14,550	1,837	1,448	20,500	20,550	3,184	2,485	26,500	26,550	4,791	3,734
14,550	14,600	1,847	1,456	20,550	20,600	3,197	2,496	26,550	26,600	4,806	3,745
14,600	14,650	1,857	1,464	20,600	20,650	3,210	2,507	26,600	26,650	4,821	3,756
14,650	14,700	1,867	1,472	20,650	20,700	3,223	2,518	26,650	26,700	4,836	3,767
14,700	14,750	1,877	1,480	20,700	20,750	3,236	2,529	26,700	26,750	4,851	3,778
14,750	14,800	1,887	1,488	20,750	20,800	3,249	2,540	26,750	26,800	4,866	3,789
14,800	14,850	1,897	1,496	20,800	20,850	3,262	2,551	26,800	26,850	4,881	3,800
14,850	14,900	1,907	1,504	20,850	20,900	3,275	2,562	26,850	26,900	4,896	3,811
14,900	14,950	1,917	1,512	20,900	20,950	3,288	2,573	26,900	26,950	4,911	3,822
14,950	15,000	1,927	1,520	20,950	21,000	3,301	2,584	26,950	27,000	4,926	3,833
15,000		Your tax is—		21,000		Your tax is—		27,000		Your tax is—	
15,000	15,050	1,937	1,528	21,000	21,050	3,314	2,595	27,000	27,050	4,941	3,844
15,050	15,100	1,947	1,536	21,050	21,100	3,327	2,606	27,050	27,100	4,956	3,855
15,100	15,150	1,957	1,544	21,100	21,150	3,339	2,617	27,100	27,150	4,971	3,866
15,150	15,200	1,967	1,552	21,150	21,200	3,352	2,628	27,150	27,200	4,986	3,877
15,200	15,250	1,977	1,560	21,200	21,250	3,365	2,639	27,200	27,250	4,997	3,888
15,250	15,300	1,987	1,568	21,250	21,300	3,379	2,650	27,250	27,300	5,008	3,899
15,300	15,350	1,997	1,576	21,300	21,350	3,392	2,661	27,300	27,350	5,019	3,910
15,350	15,400	2,007	1,584	21,350	21,400	3,405	2,672	27,350	27,400	5,030	3,921
15,400	15,450	2,017	1,592	21,400	21,450	3,418	2,683	27,400	27,450	5,041	3,932
15,450	15,500	2,027	1,600	21,450	21,500	3,431	2,694	27,450	27,500	5,052	3,943
15,500	15,550	2,037	1,608	21,500	21,550	3,445	2,705	27,500	27,550	5,063	3,954
15,550	15,600	2,047	1,616	21,550	21,600	3,457	2,716	27,550	27,600	5,074	3,965
15,600	15,650	2,057	1,624	21,600	21,650	3,470	2,727	27,600	27,650	5,085	3,976
15,650	15,700	2,067	1,632	21,650	21,700	3,483	2,738	27,650	27,700	5,096	3,987
15,700	15,750	2,077	1,640	21,700	21,750	3,496	2,749	27,700	27,750	5,107	3,998
15,750	15,800	2,087	1,648	21,750	21,800	3,509	2,760	27,750	27,800	5,118	4,009
15,800	15,850	2,097	1,656	21,800	21,850	3,522	2,771	27,800	27,850	5,129	4,020
15,850	15,900	2,107	1,664	21,850	21,900	3,535	2,782	27,850	27,900	5,140	4,031
15,900	15,950	2,117	1,672	21,900	21,950	3,548	2,793	27,900	27,950	5,151	4,042
16,000		Your tax is—		22,000		Your tax is—		28,000		Your tax is—	
16,000	16,050	2,127	1,680	22,000	22,050	3,561	2,804	28,000	28,050	5,162	4,053
16,050	16,100	2,137	1,688	22,050	22,100	3,574	2,815	28,050	28,100	5,173	4,064
16,100	16,150	2,147	1,696	22,100	22,150	3,587	2,826	28,100	28,150	5,184	4,075
16,150	16,200	2,157	1,704	22,150	22,200	3,600	2,837	28,150	28,200	5,195	4,086
16,200	16,250	2,168	1,712	22,200	22,250	3,613	2,848	28,200	28,250	5,206	4,097
16,250	16,300	2,178	1,720	22,250	22,300	3,626	2,859	28,250	28,300	5,217	4,108
16,300	16,350	2,188	1,728	22,300	22,350	3,639	2,870	28,300	28,350	5,228	4,119
16,350	16,400	2,198	1,736	22,350	22,400	3,652	2,881	28,350	28,400	5,239	4,130
16,400	16,450	2,203	1,744	22,400	22,450	3,665	2,892	28,400	28,450	5,250	4,141
16,450	16,500	2,213	1,752	22,450	22,500	3,678	2,903	28,450	28,500	5,261	4,152
16,500	16,550	2,223	1,760	22,500	22,550	3,691	2,914	28,500	28,550	5,272	4,163
16,550	16,600	2,233	1,768	22,550	22,600	3,704	2,925	28,550	28,600	5,283	4,174
16,600	16,650	2,243	1,776	22,600	22,650	3,717	2,936	28,600	28,650	5,294	4,185
16,650	16,700	2,253	1,784	22,650	22,700	3,730	2,947	28,650	28,700	5,305	4,196
16,700	16,750	2,263	1,792	22,700	22,750	3,743	2,958	28,700	28,750	5,316	4,207
16,750	16,800	2,273	1,800	22,750	22,800	3,756	2,969	28,750	28,800	5,327	4,218
16,800	16,850	2,283	1,808	22,800	22,850	3,769	2,980	28,800	28,850	5,338	4,229
16,850	16,900	2,293	1,816	22,850	22,900	3,782	2,991	28,850	28,900	5,349	4,240
16,900	16,950	2,303	1,824	22,900	22,950	3,795	3,002	28,900	28,950	5,360	4,251
16,950	17,000	2,313	1,832	22,950	23,000	3,808	3,013	28,950	29,000	5,371	4,262
17,000	17,050	2,323	1,840	23,000	23,050	3,821	3,024	29,000	29,050	5,382	4,273
17,050	17,100	2,333	1,848	23,050	23,100	3,834	3,035	29,050	29,100	5,393	4,284
17,100	17,150	2,343	1,856	23,100	23,150	3,847	3,046	29,100	29,150	5,404	4,295
17,150	17,200	2,353	1,864	23,150	23,200	3,860	3,057	29,150	29,200	5,415	4,306
17,200	17,250	2,363	1,872	23,200	23,250	3,873	3,068	29,200	29,250	5,426	4,317
17,250	17,300	2,373	1,880	23,250	23,300	3,886	3,079	29,250	29,300	5,437	4,328
17,300	17,350	2,383	1,888	23,300	23,350	3,899	3,090	29,300	29,350	5,448	4,339
17,350	17,400	2,393	1,896	23,350	23,400	3,912	3,101	29,350	29,400	5,459	4,350
17,400	17,450	2,403	1,904	23,400	23,450	3,925	3,112	29,400	29,450	5,470	4,361
17,450	17,500	2,413	1,912	23,450	23,500	3,938	3,123	29,450	29,500	5,481	4,372
17,500	17,550	2,423	1,920	23,500	23,550	3,951	3,134	29,500	29,550	5,492	4,383
17,550	17,600	2,433	1,928	23,550	23,600	3,964	3,145	29,550	29,600	5,503	4,394
17,600	17,650	2,443	1,936	23,600	23,650	3,977	3,156	29,600	29,650	5,514	4,405
17,650	17,700	2,453	1,944	23,650	23,700	3,990	3,167	29,650	29,700	5,525	4,416
17,700	17,750	2,463	1,952	23,700	23,750	4,003	3,178	29,700	29,750	5,536	4,427
17,750	17,800	2,473	1,960	23,750	23,800	4,016	3,189	29,750	29,800	5,547	4,438
17,800	17,850	2,483	1,968	23,800	23,850	4,029	3,200	29,800	29,850	5,558	4,449
17,850	17,900	2,493	1,976	23,850	23,900	4,042	3,211	29,850	29,900	5,569	4,460
17,900	17,950	2,503	1,984	23,900	23,950	4,055	3,222	29,900	29,950	5,580	4,471
17,950	18,000	2,513	1,992	23,950	24,000	4,068	3,233	29,950	30,000	5,591	4,482
18,000		Your tax is—		21,000		Your tax is—		27,000		Your tax is—	
18,000	18,050	2,523	2,000	21,000	21,050	4,081	3,244	27,000	27,050	5,602	4,493
18,050	18,100	2,533	2,008	21,050	21,100	4,094	3,255	27,050	27,100	5,613	4,504
18,100	18,150	2,543	2,016	21,100	21,150	4,107	3,266	27,100	27,150	5,624	4,515
18,150	18,200	2,553	2,024	21,150	21,200	4,120	3,277	27,150	27,200	5,635	4,526
18,200	18,250	2,563	2,032	21,200	21,250	4,133	3,288	27,200	27,250	5,646	4,537
18,250	18,300	2,573	2,040	21,250	21,300	4,146	3,299	27,250	27,300	5,657	4,548
18,300	18,350	2,583	2,048	21,300	21,350	4,159	3,310	27,300	27,350	5,668	4,559
18,350	18,400	2,593	2,056	21,350	21,400	4,172	3,321	27,350	27,400	5,679	4,570
18,400	18,450	2,603	2,064	21,400	21,450	4,185	3,332	27,400	27,450	5,690	4,581
18,450	18,500	2,613	2,072	21,450	21,500	4,198	3,343	27,450	27,500	5,701	4,592
18,500	18,550	2,623	2,080	21,500	21,550	4,211	3,354	27,500	27,550	5,712	4,603
18,550	18,600	2,633	2,088	21,550	21,600	4,224	3,365	27,550	27,600	5,723	4,614
18,600	18,650	2,643									







# 1986 Tax Rate Schedules

**Caution:** You may use these schedules **ONLY** if your taxable income is \$50,000 or more. **OR** you use Schedule G to figure your tax.  
**Example:** Mr. Jones is single. His taxable income on Form 1040, line 37, is \$55,525. First, he finds the schedule and enters the result (\$15,647.10) on Form 1040, line 38.

## Schedule X—Single Taxpayers

Use this schedule if you checked Filing Status Box 1 on Form 1040—

If the amount on Form 1040, line 37 is	Enter on Form 1040, line 38	of the amount over—
Over—	But not over—	
\$0	—	\$2,480
2,480	11%	3,870
3,870	12%	5,940
5,940	14%	7,010
7,010	15%	9,170
9,170	16%	11,650
11,650	18%	13,920
13,920	20%	16,190
16,190	23%	18,640
18,640	26%	21,360
21,360	28%	25,360
25,360	30%	31,080
31,080	34%	36,800
36,800	38%	44,780
44,780	42%	59,670
59,670	48%	88,270
88,270	50%	116,870

## Schedule Z—Heads of Household

(including certain married persons who live apart—see page 5 of the instructions)  
 Use this schedule if you checked Filing Status Box 4 on Form 1040—

If the amount on Form 1040, line 37 is	Enter on Form 1040, line 38	of the amount over—
Over—	But not over—	
\$0	—	\$2,480
2,480	11%	4,750
4,750	12%	7,750
7,750	14%	9,710
9,710	15%	12,730
12,730	16%	15,190
15,190	18%	17,300
17,300	20%	19,640
19,640	23%	21,360
21,360	26%	25,360
25,360	28%	31,080
31,080	30%	36,800
36,800	34%	44,780
44,780	38%	59,670
59,670	42%	88,270
88,270	48%	116,870

## Schedule Y—Married Taxpayers and Qualifying Widows and Widowers

Use this schedule if you checked Filing Status Box 2 or 5 on Form 1040—

If the amount on Form 1040, line 37 is	Enter on Form 1040, line 38	of the amount over—
Over—	But not over—	
\$0	—	\$3,670
3,670	11%	5,940
5,940	12%	8,200
8,200	14%	12,840
12,840	16%	17,270
17,270	18%	21,800
21,800	20%	26,550
26,550	23%	32,270
32,270	26%	37,980
37,980	28%	49,420
49,420	30%	64,750
64,750	34%	92,370
92,370	38%	118,050
118,050	42%	175,250
175,250	48%	279,650
279,650	50%	418,580

## Married Filing Separate Returns

Use this schedule if you checked Filing Status Box 3 on Form 1040—

If the amount on Form 1040, line 37 is	Enter on Form 1040, line 38	of the amount over—
Over—	But not over—	
\$0	—	\$1,835
1,835	11%	2,970
2,970	12%	4,100
4,100	14%	6,420
6,420	16%	8,635
8,635	18%	10,900
10,900	20%	13,275
13,275	23%	16,135
16,135	26%	18,990
18,990	28%	24,710
24,710	30%	32,375
32,375	34%	46,185
46,185	38%	59,025
59,025	42%	87,625
87,625	48%	133,775
133,775	50%	201,225

# 1986 Optional State Sales Tax Tables

If you kept records that show you paid more sales tax than the table for your state indicates, you may claim the higher amount on Schedule A, line 8a.

Your itemized deduction for general sales tax paid can be estimated from these tables plus any qualifying sales taxes paid on the items listed on page 20.

To use the tables:

- Step 1—Enter your total available income. Use the total of the taxable income, nontaxable income, and tax-exempt income as veterans', benefits, workers' compensation, nontaxable part of unemployment compensation or long-term capital gains (however, read across to find the amount of sales tax for your family size).
- Step 2—Count the number of exemptions claimed for you and your family. Do not count exemptions claimed for being 65 or over or blind as part of your family size.
- Step 3—Find the income line for your state on the tables and read across to find the amount of sales tax for your family size.

reinvested in similar property, such as a principal residence), nontaxable part of social security and railroad retirement benefits, nondeductible exclusion, deduction for a married couple when both spouses make payments.

Step 2—Count the number of exemptions claimed for you and your family. Do not count exemptions claimed for being 65 or over or blind as part of your family size.

Step 3—Find the income line for your state on the tables and read across to find the amount of sales tax for your family size.

Income At least	Alabama					Arizona					Arkansas					California					Colorado					Connecticut				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5					
\$0	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39					
10,000	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39					
15,000	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39					
20,000	23	27	37	39	38	34	29	30	31	35	32	34	37	44	40	36	37	42	43	44	40	39	40	41	42					
25,000	31	37	50	52	50	45	42	43	46	47	46	48	54	56	53	50	51	55	56	54	53	54	55	56	57					
30,000	33	39	54	58	56	50	46	47	48	51	51	53	59	62	60	56	57	61	62	60	59	60	61	62	63					
35,000	35	42	58	62	59	52	48	49	50	53	53	55	61	64	62	58	59	63	64	62	61	62	63	64	65					
40,000	37	45	61	65	62	54	50	51	52	55	55	57	63	66	64	60	61	65	66	64	63	64	65	66	67					
45,000	39	48	64	68	64	56	52	53	54	57	57	59	65	68	66	62	63	67	68	66	65	66	67	68	69					
50,000	41	50	67	71	67	58	54	55	56	59	59	61	67	70	68	64	65	69	70	68	67	68	69	70	71					
55,000	43	53	70	74	70	60	56	57	58	61	61	63	69	72	70	66	67	71	72	70	69	70	71	72	73					
60,000	45	56	73	77	73	62	58	59	60	63	63	65	71	74	72	68	69	73	74	72	71	72	73	74	75					
65,000	47	58	76	80	75	64	60	61	62	65	65	67	73	76	74	70	71	75	76	74	73	74	75	76	77					
70,000	49	60	79	83	78	66	62	63	64	67	67	69	75	78	76	72	73	77	78	76	75	76	77	78	79					
75,000	51	62	82	86	81	68	64	65	66	69	69	71	77	80	78	74	75	79	80	78	77	78	79	80	81					
80,000	53	64	85	89	84	70	66	67	68	71	71	73	79	82	80	76	77	81	82	80	79	80	81	82	83					
85,000	55	66	88	92	87	72	68	69	70	73	73	75	81	84	82	78	79	83	84	82	81	82	83	84	85					
90,000	57	68	91	95	90	74	70	71	72	75	75	77	83	86	84	80	81	85	86	84	83	84	85	86	87					
95,000	59	70	94	98	93	76	72	73	74	77	77	79	85	88	86	82	83	87	88	86	85	86	87	88	89					
100,000	61	72	97	101	96	78	74	75	76	79	79	81	87	90	88	84	85	89	90	88	87	88	89	90	91					
105,000	63	74	100	104	99	80	76	77	78	81	81	83	89	92	90	86	87	91	92	90	89	90	91	92	93					
110,000	65	76	103	107	102	82	78	79	80	83	83	85	91	94	92	88	89	93	94	92	91	92	93	94	95					
115,000	67	78	106	110	105	84	80	81	82	85	85	87	93	96	94	90	91	95	96	94	93	94	95	96	97					
120,000	69	80	109	113	108	86	82	83	84	87	87	89	95	98	96	92	93	97	98	96	95	96	97	98	99					
125,000	71	82	112	116	111	88	84	85	86	89	89	91	97	100	98	94	95	99	100	98	97	98	99	100	101					
130,000	73	84	115	119	114	90	86	87	88	91	91	93	99	102	100	96	97	101	102	100	99	100	101	102	103					
135,000	75	86	118	122	117	92	88	89	90	93	93	95	101	104	102	98	99	103	104	102	101	102	103	104	105					
140,000	77	88	121	125	120	94	90	91	92	95	95	97	103	106	104	100	101	105	106	104	103	104	105	106	107					
145,000	79	90	124	128	123	96	92	93	94	97	97	99	105	108	106	102	103	107	108	106	105	106	107	108	109					
150,000	81	92	127	131	126	98	94	95	96	99	99	101	107	110	108	104	105	109	110	108	107	108	109	110	111					
155,000	83	94	130	134	129	100	96	97	98	101	101	103	110	113	110	106	107	111	112	110	109	110	111	112	113					
160,000	85	96	133	137	132	102	98	99	100	103	103	105	112	115	112	108	109	113	114	112	111	112	113	114	115					
165,000	87	98	136	140	135	104	100	101	102	105	105	107	114	117	114	110	111	115	116	114	113	114	115	116	117					
170,000	89	100	139	143	138	106	102	103	104	107	107	109	116	119	116	112	113	117	118	116	115	116	117	118	119					
175,000	91	102	142	146	141	108	104	105	106	109	109	111	118	121	118	114	115	119	120	118	117	118	119	120	121					
180,000	93	104	145	149	144	110	106	107	108	111	111	113	120	123	120	116	117	121	122	120	119	120	121	122	123					
185,000	95	106	148	152	147	112	108	109	110	113	113	115	122	125	122	118	119	123	124	122	121	122	123	124	125					
190,000	97	108	151	155	150	114	110	111	112	115	115	117	124	127	124	120	121	125	126	124	123	124	125	126	127					
195,000	99	110	154	158	153	116	112	113	114	117	117	119	126	129	126	122	123	127	128	126	125	126	127	128	129					
200,000	101	112	157	161	156	118	114	115	116	119	119	121	128	131	128	124	125	129	130	128	127	128	129	130	131					
205,000	103	114	160	164	159	120	116	117	118	121	121	123	130	133	130	126	127	131	132	130	129	130	131	132	133					
210,000	105	116	163	167	162	122	118	119	120	123	123	125	132	135	132	128	129	133	134	132	131	132	133	134	135					
215,000	107	118	166	170	165	124	120	121	122	125	125	127	134	137	134	130	131	135	136	134	133	134	135	136	137					
220,000	109	120	169	173	168	126	122	123	124	127	127	129	136	140	136	132	133	137	138	136	135	136	137	138	139					
225,000	111	122	172	176	171	128	124	125	126	129	129	131	138	142	138	134	135	139	140	138	137	138	139	140	141					
230,000	113	124	175	179	174	130	126	127	128	131	131	133	140	145	140	136	137	141	142	140	139	140	141	142	143					
235,000	115	126	178	182	177	132	128	129	130	133	133	135	142	148	144	140	141	143	144	142	141	142	143	144	145					
240,000	117	128	181	185	180	134	130	131	132	135	135	137	144	151	146	142	143	145	146	144	143	144	145	146	147					
245,000	119	130	184	188	183	136	132	133	134	137	137	139	146	154	148	144	145	147	148	146	145	146	147	148	149					
250,000	121	132	187	191	186	138	134	135	136	139	139	141	148	157	150	146	147	149	150	148	147	148	149	150	151					
255,000	123	134	190	194	189	140	136	137	138	141	141	143	150	160	152	148	149	151	152	150	149	150	151	152	153					
260,000	125	136	193	197	192	142	138	139	140	143	143	145	152	163	154	150	151	153	154	152	151	152	153	154	155					
265,000	127	138	196	200	195	144	140	141	142	145	145	147	154	166	156	152	153	155	156	154	153	154	155	156	157					
270,000	129	140	199	203	197	146	142	143	144	147	147	149	156	169	158	154	155	157	158	156	155	156	157	158	159					
275,000	131	142	202	206	201	148	144	145	146	149	149	151	158	172	160	156	157	159	160	158	157	158	159	160	161					
280,000	133	144	205	209	204	150	146	147	148	151	151	153	160	175	162	158	159	161	162	160	159	160	161	162	163					
285,000	135	146	208	212	207	152	148	149	150	153	153	155	162	178	164	160	161	163	164	162	161	162	163	164	165					
290,000	137	148	211	215	210	154	150	151	152	155	155	157	164	181	166	162	163	165	166	164	163	164	165	166	167					
295,000	139	150	214	218	213	156	152	153	154	157	157	159	166	184	168	164	165	167	168	166	165	166	167	168	169					
300,000	141	152	217	221	216	158	154	155	156	159	159	161																		

## 1986 Optional State Sales Tax Tables—Continued

Income	Family size					Family size					Family size					Family size					Family size				
	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
10,000	107	127	137	147	157	106	126	136	146	156	105	125	135	145	155	104	124	134	144	154	103	123	133	143	153
15,000	153	173	183	193	203	152	172	182	192	202	151	171	181	191	201	150	170	180	190	200	149	169	179	189	199
20,000	200	220	230	240	250	199	219	229	239	249	198	218	228	238	248	197	217	227	237	247	196	216	226	236	246
25,000	246	266	276	286	296	245	265	275	285	295	244	264	274	284	294	243	263	273	283	293	242	262	272	282	292
30,000	292	312	322	332	342	291	311	321	331	341	290	310	320	330	340	289	309	319	329	339	288	308	318	328	338
35,000	338	358	368	378	388	337	357	367	377	387	336	356	366	376	386	335	355	365	375	385	334	354	364	374	384
40,000	384	404	414	424	434	383	403	413	423	433	382	402	412	422	432	381	401	411	421	431	380	400	410	420	430
45,000	430	450	460	470	480	429	449	459	469	479	428	448	458	468	478	427	447	457	467	477	426	446	456	466	476
50,000	476	496	506	516	526	475	495	505	515	525	474	494	504	514	524	473	493	503	513	523	472	492	502	512	522
55,000	522	542	552	562	572	521	541	551	561	571	520	540	550	560	570	519	539	549	559	569	518	538	548	558	568
60,000	568	588	598	608	618	567	587	597	607	617	566	586	596	606	616	565	585	595	605	615	564	584	594	604	614
65,000	614	634	644	654	664	613	633	643	653	663	612	632	642	652	662	611	631	641	651	661	610	630	640	650	660
70,000	660	680	690	700	710	659	679	689	699	709	658	678	688	698	708	657	677	687	697	707	656	676	686	696	706
75,000	706	726	736	746	756	705	725	735	745	755	704	724	734	744	754	703	723	733	743	753	702	722	732	742	752
80,000	752	772	782	792	802	751	771	781	791	801	750	770	780	790	800	749	769	779	789	799	748	768	778	788	798
85,000	798	818	828	838	848	797	817	827	837	847	796	816	826	836	846	795	815	825	835	845	794	814	824	834	844
90,000	844	864	874	884	894	843	863	873	883	893	842	862	872	882	892	841	861	871	881	891	840	860	870	880	890
95,000	890	910	920	930	940	889	909	919	929	939	888	908	918	928	938	887	907	917	927	937	886	906	916	926	936
100,000	936	956	966	976	986	935	955	965	975	985	934	954	964	974	984	933	953	963	973	983	932	952	962	972	982
105,000	982	1002	1012	1022	1032	981	1001	1011	1021	1031	980	1000	1010	1020	1030	979	999	1009	1019	1029	978	998	1008	1018	1028
110,000	1028	1048	1058	1068	1078	1027	1047	1057	1067	1077	1026	1046	1056	1066	1076	1025	1045	1055	1065	1075	1024	1044	1054	1064	1074
115,000	1074	1094	1104	1114	1124	1073	1093	1103	1113	1123	1072	1092	1102	1112	1122	1071	1091	1101	1111	1121	1070	1090	1100	1110	1120
120,000	1120	1140	1150	1160	1170	1119	1139	1149	1159	1169	1118	1138	1148	1158	1168	1117	1137	1147	1157	1167	1116	1136	1146	1156	1166
125,000	1166	1186	1196	1206	1216	1165	1185	1195	1205	1215	1164	1184	1194	1204	1214	1163	1183	1193	1203	1213	1162	1182	1192	1202	1212
130,000	1212	1232	1242	1252	1262	1211	1231	1241	1251	1261	1210	1230	1240	1250	1260	1209	1229	1239	1249	1259	1208	1228	1238	1248	1258
135,000	1258	1278	1288	1298	1308	1257	1277	1287	1297	1307	1256	1276	1286	1296	1306	1255	1275	1285	1295	1305	1254	1274	1284	1294	1304
140,000	1304	1324	1334	1344	1354	1303	1323	1333	1343	1353	1302	1322	1332	1342	1352	1301	1321	1331	1341	1351	1300	1320	1330	1340	1350
145,000	1350	1370	1380	1390	1400	1349	1369	1379	1389	1399	1348	1368	1378	1388	1398	1347	1367	1377	1387	1397	1346	1366	1376	1386	1396
150,000	1396	1416	1426	1436	1446	1395	1415	1425	1435	1445	1394	1414	1424	1434	1444	1393	1413	1423	1433	1443	1392	1412	1422	1432	1442
155,000	1442	1462	1472	1482	1492	1441	1461	1471	1481	1491	1440	1460	1470	1480	1490	1439	1459	1469	1479	1489	1438	1458	1468	1478	1488
160,000	1488	1508	1518	1528	1538	1487	1507	1517	1527	1537	1486	1506	1516	1526	1536	1485	1505	1515	1525	1535	1484	1504	1514	1524	1534
165,000	1534	1554	1564	1574	1584	1533	1553	1563	1573	1583	1532	1552	1562	1572	1582	1531	1551	1561	1571	1581	1530	1550	1560	1570	1580
170,000	1580	1600	1610	1620	1630	1579	1599	1609	1619	1629	1578	1598	1608	1618	1628	1577	1597	1607	1617	1627	1576	1596	1606	1616	1626
175,000	1626	1646	1656	1666	1676	1625	1645	1655	1665	1675	1624	1644	1654	1664	1674	1623	1643	1653	1663	1673	1622	1642	1652	1662	1672
180,000	1672	1692	1702	1712	1722	1671	1691	1701	1711	1721	1670	1690	1700	1710	1720	1669	1689	1699	1709	1719	1668	1688	1698	1708	1718
185,000	1718	1738	1748	1758	1768	1717	1737	1747	1757	1767	1716	1736	1746	1756	1766	1715	1735	1745	1755	1765	1714	1734	1744	1754	1764
190,000	1764	1784	1794	1804	1814	1763	1783	1793	1803	1813	1762	1782	1792	1802	1812	1761	1781	1791	1801	1811	1760	1780	1790	1800	1810
195,000	1810	1830	1840	1850	1860	1809	1829	1839	1849	1859	1808	1828	1838	1848	1858	1807	1827	1837	1847	1857	1806	1826	1836	1846	1856
200,000	1856	1876	1886	1896	1906	1855	1875	1885	1895	1905	1854	1874	1884	1894	1904	1853	1873	1883	1893	1903	1852	1872	1882	1892	1902
205,000	1902	1922	1932	1942	1952	1901	1921	1931	1941	1951	1900	1920	1930	1940	1950	1899	1919	1929	1939	1949	1898	1918	1928	1938	1948
210,000	1948	1968	1978	1988	1998	1947	1967	1977	1987	1997	1946	1966	1976	1986	1996	1945	1965	1975	1985	1995	1944	1964	1974	1984	1994
215,000	1994	2014	2024	2034	2044	1993	2013	2023	2033	2043	1992	2012	2022	2032	2042	1991	2011	2021	2031	2041	1990	2010	2020	2030	2040
220,000	2040	2060	2070	2080	2090	2039	2059	2069	2079	2089	2038	2058	2068	2078	2088	2037	2057	2067	2077	2087	2036	2056	2066	2076	2086
225,000	2086	2106	2116	2126	2136	2085	2105	2115	2125	2135	2084	2104	2114	2124	2134	2083	2103	2113	2123	2133	2082	2102	2112	2122	2132
230,000	2132	2152	2162	2172	2182	2131	2151	2161	2171	2181	2130	2150	2160	2170	2180	2129	2149	2159	2169	2179	2128	2148	2158	2168	2178
235,000	2178	2198	2208	2218	2228	2177	2197	2207	2217	2227	2176	2196	2206	2216	2226	2175	2195	2205	2215	2225	2174	2194	2204	2214	2224
240,000	2224	2244	2254	2264	2274	2223	2243	2253	2263	2273	2222	2242	2252	2262	2272	2221	2241	2251	2261	2271	2220	2240	2250	2260	2270
245,000	2270	2290	2300	2310	2320	2269	2289	2299	2309	2319	2268	2288	2298	2308	2318	2267	2287	2297	2307	2317	2266	2286	2296	2306	2316
250,000	2316	2336	2346	2356	2366	2315	2335	2345	2355	2365	2314	2334	2344	2354	2364	2313	2333	2343	2353	2363	2312	2332	2342	2352	2362
255,000	2362	2382	2392	2402	2412	2361	2381	2391	2401	2411	2360	2380	2390	2400	2410	2359	2379	2389	2399	2409	2358	2378	2388	2398	2408
260,000	2408	2428	2438	2448	2458	2407	2427	2437	2447	2457	2406	2426	2436	2446	2456	2405									





## To Call IRS Toll-Free for Answers to Your Federal Tax Questions, Use Only the Number Listed Below for Your Area.

**Caution:** "Toll-free" is a telephone call for which you pay only local charges with no long distance charge. Please use a local city number only if it is not a long distance call for you. Do not dial 800 when using a local city number. Otherwise, use the general toll-free number given.

We are happy to answer questions to help you prepare your return. But you should know that you are responsible for the accuracy of your return. If we do make an error, you are still responsible for the payment of the correct tax. To make sure that IRS employees give courteous responses and correct information to taxpayers, a second IRS employee sometimes makes the telephone number. No record is kept of any taxpayer's name, address, or social security number.

If you find it necessary to write instead of calling, please address your letter to your IRS District Director for a prompt reply. Make sure you include your social security number or taxpayer identifying number when you write.

The IRS has a telephone service called Tele-Tax. It provides automated refund information and recorded tax information on about 150 topics covering such areas as filing requirements, dependents, itemized deductions, and tax credits. Tele-Tax is available 24 hours a day, 7 days a week, to taxpayers using push-button (tone) signalling telephones, and Monday through Friday, during office hours, to taxpayers using push-button (pulse dial) or rotary (dial tone) telephones. Taxpayers using push-button (pulse dial) or rotary (dial tone) telephones should obtain telephone numbers, available topics, and instructions describing how to use this service.

<b>ALABAMA</b> Call 1-800-424-1040	<b>LOUISIANA</b> Call 1-800-424-1040
<b>ALASKA</b> Anchorage, 561-7484 Elsewhere in Alaska, call 1-800-478-1040	<b>MAINE</b> Call 1-800-424-1040
<b>ARIZONA</b> Phoenix, 257-1233	<b>MARYLAND</b> Baltimore, 593-2590 Baltimore County, 488-3100 Prince George's County, 488-3100
<b>ARKANSAS</b> Call 1-800-424-1040	<b>MASSACHUSETTS</b> Boston, 523-1040
<b>CALIFORNIA</b> Please call the telephone number shown in the white pages of your local telephone directory under U.S. Government, Internal Revenue Service, Federal Tax Assistance	<b>MICHIGAN</b> Detroit, 237-0800
<b>COLORADO</b> Denver, 825-7041	<b>MINNESOTA</b> Minneapolis, 291-1422 St. Paul, 291-1422
<b>CONNECTICUT</b> Call 1-800-424-1040	<b>INDIANA</b> Indianapolis, 269-5477
<b>DELAWARE</b> Call 1-800-424-1040	<b>IOWA</b> Des Moines, 283-0523
	<b>KANSAS</b> Call 1-800-424-1040
	<b>KENTUCKY</b> Call 1-800-424-1040
	<b>NEBRASKA</b> Omaha, 422-1500
	<b>NEVADA</b> Call 1-800-424-1040
	<b>NEW HAMPSHIRE</b> Call 1-800-424-1040
	<b>NEW JERSEY</b> Newark, 622-0600
	<b>NEW MEXICO</b> Call 1-800-424-1040
	<b>NEW YORK</b> Bronx, 732-0100 Brooklyn, 596-3770 Buffalo, 855-3955 Canton, 462-1000 Nassau, 222-1131 Queens, 596-3770 Rockland County, 997-1510 Saratoga Springs, 582-0100 Suffolk, 724-5000 Westchester County, 997-1510
	<b>NORTH CAROLINA</b> Call 1-800-424-1040
	<b>NORTH DAKOTA</b> Call 1-800-424-1040
	<b>OHIO</b> Cincinnati, 621-6281 Cleveland, 522-3000
	<b>OKLAHOMA</b> Call 1-800-424-1040
	<b>OREGON</b> Eugene, 485-8285 Portland, 221-3960 Salem, 581-8721
	<b>PENNSYLVANIA</b> Philadelphia, 574-9900 Pittsburgh, 281-0112
	<b>PUERTO RICO</b> San Juan Metro Area, 753-4040 753-4040
	<b>RHODE ISLAND</b> Call 1-800-424-1040
	<b>SOUTH CAROLINA</b> Call 1-800-424-1040
	<b>SOUTH DAKOTA</b> Call 1-800-424-1040
	<b>TENNESSEE</b> Nashville, 259-4601
	<b>TEXAS</b> Austin, 472-1974 Corpus Christi, 888-9431 Dallas, 432-2440 El Paso, 532-6106 Houston, 965-0440 San Antonio, 229-1700
	<b>UTAH</b> Call 1-800-424-1040
	<b>VERMONT</b> Call 1-800-424-1040
	<b>VIRGINIA</b> Baltimore's Crossroads, 553-9320 Richmond, 649-2361 Seattle, 442-1040
	<b>WASHINGTON</b> Call 1-800-424-1040
	<b>WISCONSIN</b> Milwaukee, 271-3780
	<b>WYOMING</b> Call 1-800-424-1040

## Toll-Free "Forms Only" Telephone Numbers

If you only need to order tax forms and publications, and do not have any tax questions, call the number listed below for your area.

<b>ALASKA</b> Anchorage, 563-5313 Elsewhere in Alaska, call 1-800-478-1040	<b>COLORADO</b> Denver, 825-7041
<b>ARIZONA</b> Phoenix, 257-1233 Tucson, 982-0730	<b>HAWAII</b> Honolulu, 541-1180 All other islands, call 1-800-232-0311
	<b>ILLINOIS</b> Bloomington, 862-2515
	<b>OREGON</b> Eugene, 485-8285 Portland, 221-3933 Salem, 581-8721
	<b>PUERTO RICO</b> San Juan Metro Area, 753-4040 Isla 000, 753-4549
	<b>VIRGINIA</b> Richmond, 329-1052
	<b>WASHINGTON</b> Seattle, 442-5100

## How To Get Forms

Generally, we mail forms and schedules directly to you based on what seems to be right for you. Schedules and forms you may need are listed below.

You can order the following items from IRS or get them at many participating banks, post offices, or libraries:

- Form 1040, U.S. Individual Income Tax Return
- Instructions for Form 1040
- Form 1040A
- Instructions for Form 1040A
- Form 1040EZ
- Instructions for Form 1040EZ
- Schedule A for itemized deductions
- Schedule B for interest income if more than \$400; for dividends and other distributions on stock if more than \$400; and for answering the Foreign Accounts or Foreign Trusts Questions
- Schedule W for the deduction for a married couple when both work
- You can photocopy the following items (as well as those listed above) at many participating libraries or order them from IRS:
  - Schedule C, Profit or (Loss) From Business or Profession
  - Schedule D, Capital Gains and Losses and Reconciliation of Forms 1099-B
  - Schedule E, Supplemental Income Schedule
  - Schedule F, Farm Income and Expenses
  - Schedule G, Income Averaging
  - Schedule H, Credit for the Elderly or for the Permanently and Totally Disabled
  - Schedule SE, Computation of Social Security Self-Employment Tax
  - Form 1040-ES, Estimated Tax for Individuals
  - Form 2119, Sale or Exchange of Principal Residence
  - Form 2210, Underpayment of Estimated Tax by Individuals
  - Form 2441, Credit for Child and Dependent Care Expenses
  - Form 3468, Computation of Investment Credit
  - Form 3903, Moving Expenses
  - Form 4136, Computation of Credit for Federal Tax on Gasoline and Special Fuels
  - Form 4562, Depreciation and Amortization
  - Form 4684, Casualties and Thefts
  - Form 4797, Gains and Losses From Sales or Exchanges of Assets Used in a Trade or Business and Involuntary Conversions
  - Form 4868, Application for Automatic Extension of Time to File U.S. Individual Income Tax Return
  - Form 5695, Residential Energy Credit Carryforward
  - Form 8283, Nontax Charitable Contributions
  - Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

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- Form 8283, Nontax Charitable Contributions
- Form 8332, Release of Claim to Exemption for Child of Divorced or Separated Parents

## How To Get Publications

The following publications can be ordered from IRS or you can read or photocopy them at many participating libraries:

- 17 Your Federal Income Tax
- 54 Tax Guide for U.S. Citizens and Resident Aliens Abroad
- 334 Tax Guide for Small Business
- 463 Travel, Entertainment, and Gift Expenses
- 501 Exemptions
- 502 Medical and Dental Expenses
- 503 Child and Dependent Care Credit, and Employment Taxes for Household Employers
- 504 Tax Information for Divorced or Separated Individuals
- 505 Tax Withholding and Estimated Tax
- 506 Income Averaging
- 508 Educational Expenses
- 521 Moving Expenses
- 523 Tax Information on Selling Your Home
- 524 Credit for the Elderly or for the Permanently and Totally Disabled
- 525 Taxable and Nontaxable Income
- 526 Charitable Contributions
- 527 Rental Property
- 529 Miscellaneous Deductions
- 530 Tax Information for Owners of Homes, Condominiums, and Cooperative Apartments
- 531 Reporting Income From Tips
- 533 Self-Employment Tax
- 545 Interest Expense
- 547 Nonbusiness Disasters, Casualties, and Thefts
- 550 Investment Income and Expenses
- 552 Recordkeeping for Individuals and a List of Tax Publications
- 553 Highlights of 1986 Tax Changes
- 554 Tax Information for Older Americans
- 575 Pension and Annuity Income
- 583 Information for Business Taxpayers
- 587 Business Use of Your Home
- 590 Individual Retirement Arrangements (IRAs)
- 596 Earned Income Credit
- 905 Tax Information on Unemployment Compensation
- 907 Tax Information for Handicapped and Disabled Individuals
- 910 Guide to Free Tax Services
- 915 Social Security Benefits and Equivalent Railroad Retirement Benefits
- 917 Business Use of a Car

Other publications and forms referred to in the instructions are also available without cost from the "Forms Distribution Center" for your state.





1986 Form 1040A		Page 1
<b>Step 6</b> Figure your taxable income	15 Write the amount from line 14. 16a If you made charitable contributions, write your cash contributions. (If \$3,000 or more to any one organization, see page 21.) 16b Write your non-cash contributions. If over \$500, you must attach Form 8283. 16c Add lines 16a and 16b. Write the total.	15 16a 16b 16c
<b>Step 7</b> Figure your tax, credits, and payments (including advance EIC payment)	17 Subtract line 16c from line 15. Write the result. 18 Multiply \$1,080 by the total number of exemptions claimed on line 5f. See the chart on page 22 of the instructions. 19 Subtract line 18 from line 17. Write the result. This is your taxable income. ▶ 19	17 18 19
<b>Step 8</b> Figure your refund or amount you owe	20 Find the tax on the amount on line 19. Use the tax table, pages 31-36. 21a Complete and attach Schedule 1, Part II. 21b Partial credit for political contributions for which you have receipts. See page 24 of the instructions. 22 Add lines 21a and 21b. Write the total. 23 Subtract line 22 from line 20. Write the result. (If line 22 is more than line 20, write -0- on line 23.) This is your total tax. 24a Total Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). (If line 6 is more than \$42,000, see page 25 of the instructions.) 24b Earned income credit, from the worksheet on page 27 of the instructions. See page 26 of the instructions. 25 Add lines 24a and 24b. Write the total. These are your total payments. ▶ 25 26 If line 25 is larger than line 23, subtract line 23 from line 25. Write the result. This is the amount of your refund. 27 If line 23 is larger than line 25, subtract line 25 from line 23. Write the result. This is the amount you owe. Attach check or money order for full amount payable to "Internal Revenue Service." Write your social security number, daytime phone number, and "1986 Form 1040A" on it.	20 21a 21b 22 23 24a 24b 25 26 27
<b>Step 9</b> Sign your return	Under penalty of perjury, I declare that I have examined this return and accompanying schedule and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge.	
<b>Preparer's use only</b>	Preparer's signature Firm's name (or yours, if self-employed) Address and ZIP code	Preparer's social security no. Employer identification no. Check if self-employed

Form 1040A U.S. Individual Income Tax Return (or) 1986		Page 2
<b>Step 1</b> Name and address	OMB No. 1545-0048 Your social security no. Last name First name and initial (if joint return, also give spouse's name and initial) Resident home address (number and street) (If you have a P.O. Box, see page 7 of the instructions.) City, town or post office, state, and ZIP code If this address is different from the one shown on your 1985 return, check here	
<b>Step 2</b> Check your filing status (Check only one)	<b>Presidential Election Campaign Fund</b> Do you want \$1 to go to this fund? <input type="checkbox"/> Yes <input type="checkbox"/> No If joint return, does your spouse want \$1 to go to this fund? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Single (See if you can use Form 1040EZ.) <input type="checkbox"/> Married filing joint return (even if only one had income) <input type="checkbox"/> Married filing separate return. Write spouse's social security number above and spouse's full name here. <input type="checkbox"/> Head of household (with qualifying person). If the qualifying person is your unmarried child but not your dependent, write this child's name here.	
<b>Step 3</b> Figure your exemptions	Always check the exemption box labeled "Yourself." Check other boxes if they apply. a <input type="checkbox"/> Yourself <input type="checkbox"/> 65 or over <input type="checkbox"/> Blind b <input type="checkbox"/> Spouse <input type="checkbox"/> 65 or over <input type="checkbox"/> Blind c First names of your dependent children who lived with you d First names of your dependent children who did not live with you (see page 11). (If pre-1985 agreement, check here <input type="checkbox"/> ) e Other dependents: 1. Name 2. Relationship 3. Number of children listed on 4d (if you provide more than \$1,000 or more dependent's support) 4. Did you provide more than \$1,000 or more dependent's support? f Write number of children listed on 4d g Write number of other dependents listed on 4f Add numbers on lines above	
<b>Step 4</b> Figure your total income	1 Total number of exemptions claimed. (Also complete line 18.) 2 Total wages, salaries, tips, etc. This should be shown in Box 10 of your W-2 form(s). (Attach Form(s) W-2.) 3 Interest income. (If the total is over \$400, also attach Schedule 1, Part III.) 4a Dividends. (If the total is over \$400, also attach Schedule 1, Part IV.) 4b Exclusion (see page 15). 80 4c Subtract line 8b from line 8a. Write the result on line 8c. 5a Unemployment compensation (insurance), from Form(s) 1099-G. Total received 5b Taxable amount, if any, from the worksheet on page 17 of the instructions. 6 Add lines 2, 3, 4b, 5a, and 5b. Write the total. This is your total income. ▶ 10 7 Deduction for a married couple when both work. Complete and attach Schedule 1, Part I. 8 Add lines 11 and 12. Write the total. These are your total adjustments. 9 Subtract line 13 from line 10. Write the result. This is your adjusted gross income. ▶ 14	6 7 8a 8b 8c 9a 9b 10 11 12 13 14
<b>Step 5</b> Figure your adjusted gross income	For Privacy Act and Paperwork Reduction Act Notice, see page 41.	



1986  
Schedule 1 (Form 1040A)

**1986 Schedule 1 (Form 1040A)**

**Interest income** (see page 15)  
Complete this part and attach Schedule 1 to Form 1040A if you received over \$400 in interest income.

- [illegible]

**Deduction for a married couple (filing a joint return) when both work** (see page 20)  
Complete this part to figure the amount you can deduct on Form 1040A, line 12.  
Attach Schedule 1 to Form 1040A.

[illegible]

**Credit for child and dependent care expenses** (see page 23)  
Complete this part to figure the amount of credit you can take on Form 1040A, line 21a. Attach Schedule 1 to Form 1040A.

Write the number of qualifying persons who were cared for in 1986. (See the instructions for the definition of a qualifying person.)

- 2** Add amounts on line 1. Write the total here and on Form 1040A, line 7.

- [illegible]

- 222

- 55

- § §

- 25 —

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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2. Add amounts on line 1. Write the total here and on Form 1040A, line 8a.

Form 1040EZ  
**Income Tax Return for 1986**  
 Department of the Treasury - Internal Revenue Service  
 ONE No. 1542-0675  
 Please print your numbers like this.  
**1234567890**  
 Your social security number

Use the IRS mailing label. If you don't have one, please print. If your address is different from the one shown on your 1985 return, check here ☐.  
 Print your name above (first, initial, last)  
 Print your home address (number and street) (If you have a P.O. box, use instructions 1)  
 City, town, or post office, state, and ZIP code

**Report your income**  
 Do you want \$1 of your tax to go to this fund?  
 Presidential Election Campaign Fund  
 1 Total wages, salaries, and tips. This should be shown in Box 10 of your W-2 form(s). (Attach your W-2 form(s).) 1  
 2 Interest income of \$400 or less. If the total is more than \$400, you cannot use Form 1040EZ. 2  
 3 Add line 1 and line 2. This is your adjusted gross income. 3  
 4 Enter your cash charitable contributions. See the instructions for line 4 on the back of this form. 4  
 5 Subtract line 4 from line 3. 5  
 6 Amount of your personal exemption. 6  
 7 Subtract line 6 from line 5. If line 6 is larger than line 5, enter 0 on line 7. This is your taxable income. 7  
 8 Enter your Federal income tax withheld. This should be shown in Box 9 of your W-2 form(s). 8  
 9 Use the single column in the tax table on pages 31-36 of the Form 1040A instruction booklet to find the tax on your taxable income on line 7. Enter the amount of tax. 9  
 10 If line 8 is larger than line 9, subtract line 9 from line 8. Enter the amount of your refund. 10  
 11 If line 9 is larger than line 8, subtract line 8 from line 9. Enter the amount you owe. Attach check or money order for the full amount, payable to "Internal Revenue Service." 11  
 I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.  
 Your signature \_\_\_\_\_ Date \_\_\_\_\_

**Figure your tax**  
 1080 00

**Refund or amount you owe**  
 Attach tax payment here  
 11 I have read this return. Under penalties of perjury, I declare that to the best of my knowledge and belief, the return is true, correct, and complete.  
 Your signature \_\_\_\_\_ Date \_\_\_\_\_

**For Privacy Act and Paperwork Reduction Act Notice, see page 41.**  
 Form 1040EZ (1986)

**1986 Instructions for Form 1040EZ**  
 You can use this form if:  
 • Your filing status is single.  
 • You do not claim exemptions for being 65 or over, OR for being blind.  
 • You do not claim any dependents.  
 • Your taxable income is less than \$50,000.  
 • You deduct only certain cash charitable contributions. See instructions for line 4, below.  
 • You had only wages, salaries, and tips, and your interest income was \$400 or less. Caution: If you received tips (including allocated tips) that you did not report to your employer, you may not be able to use Form 1040EZ. See page 15 in the Instructions for preparing 1040EZ and 1040A.  
 If you can't use this form, you must use Form 1040A or Form 1040 instead. See pages 4 through 6 in the instruction booklet. If you are uncertain about your filing status, dependents, or exemptions, read the step-by-step instructions for Form 1040A that begin on page 7.

**Completing your return**  
 It will make it easier for us to process your return if you print your numbers (do not type) and keep them inside the boxes. Do not use dollar signs.  
 You may find calculations easier if you round off cents to whole dollars. See page 13 of the instruction booklet for details.

**Name and address**  
 Use the mailing label we sent you. After you complete your return, carefully place the label in the name and address area. Mark through any errors on the label and print the correct information right on the label. Use of the label saves processing time. If you don't have a label, print the information on the name and address lines. If your post office does not deliver mail to your street address, and you have a P.O. box, enter your P.O. box number on the line for your present home address instead of your street address.

**Presidential election campaign fund**  
 Congress set up this fund to help pay for Presidential election campaigns. You may have one of your tax dollars go to this fund by checking the "Yes" box. Checking the "Yes" box does not change the tax or refund shown on your return.

**Report your income**  
 Line 1. Enter on line 1 the total amount you received in wages, salaries, and tips. This should be shown in Box 10 of your 1986 wage statement(s), Form W-2. If you received your W-2 form by February 15, contact your local IRS office. Attach the first copy or Copy B of your W-2 form(s) to your return.  
 Line 2. Enter on line 2 the total interest income you received from all sources, such as banks, savings and loans, and credit unions. You should receive a Form 1099-INT from each institution that paid you interest. You cannot use Form 1040EZ if your total interest income is over \$400.  
 Line 4. Enter on line 4 what you gave in cash (including checks and money orders) to qualified charitable organizations in 1986. But if you gave \$3,000 or more to any one organization, or you made any noncash contributions, you cannot use Form 1040EZ. See page 20 of the instruction booklet for information on qualified charitable organizations and other limitations.  
 Line 6. Every taxpayer is entitled to one \$1,080 personal exemption. If you are also entitled to additional exemptions for being 65 or over, for blindness, for your spouse, or for your dependent children or other dependents, you cannot use Form 1040EZ.

**Figure your tax**  
 Line 8. Enter the amount of Federal income tax withheld. This should be shown in Box 9 of your 1986 W-2 form(s). If you had two or more employers and had total wages of over \$42,000, see page 25 of the instruction booklet. If you want IRS to figure your tax for you, complete lines 1 through 8, sign and date your return. If you want to figure your own tax, continue with these instructions.  
 Line 9. Use the amount on line 7 to find your tax in the tax table on pages 31-36 of the instruction booklet. Be sure to use the column in the tax table for single taxpayers. Enter the amount of tax on line 9. If your tax from the tax table is zero, enter 0.

**Refund or amount you owe—Compare line 8 with line 9**  
 Line 10. If line 8 is larger than line 9, you are entitled to a refund. Subtract line 9 from line 8, and enter the result on line 10.  
 Line 11. If line 9 is larger than line 8, you owe more tax. Subtract line 8 from line 9, and enter the result on line 11. Attach your check or money order for the full amount. Write your social security number, daytime phone number, and "1986 Form 1040EZ" on your payment.

**Sign your return**  
 You must sign and date your return. If you pay someone to prepare your return, that person must also sign it below the space for your signature and supply the other information required by IRS. See page 28.

**Mailing your return**  
 File your return by April 15, 1987. Mail it to us in the addressed envelope that came with the instruction booklet. If you don't have an addressed envelope, see page 30 of the instruction booklet for the address.



# **SCHEDULES A & B** (Form 1040)

Department of the Treasury  
Internal Revenue Service (OI)

Name(s) as shown on Form 1040

## **Schedule A—Itemized Deductions** (Schedule B is on back)

▶ Attach to Form 1040 ▶ See Instructions for Schedules A and B (Form 1040).

Your social security number

<b>Medical and Dental Expenses</b> (Do not include expenses reimbursed or paid by others.)	1 Prescription medicines and drugs, and insulin	1	
	2 a Doctors, dentists, nurses, hospitals, insurance premiums you paid for medical and dental care, etc.	2a	
	b Transportation and lodging	2b	
	c Other (list—include hearing aids, dentures, eyeglasses, etc.) ▶	2c	
	(See instructions on page 19)	3	
<b>Taxes You Paid</b>	4 State and local income taxes	4	
	5 State and local sales taxes	5	
	6 Real estate taxes	6	
	7 General sales tax (see sales tax tables in instruction booklet)	7	
	8 a General sales tax on motor vehicles	8a	
	b Other taxes (list—include personal property taxes) ▶	8b	
	(See instructions on page 20)	9	
<b>Interest You Paid</b>	10 Add the amounts on lines 6 through 9. Enter the total here.	10	
	11 a Home mortgage interest paid to financial institutions (report deductible points on line 13)	11a	
	b Home mortgage interest you paid to individuals (show that person's name and address) ▶	11b	
	12 Total credit card and charge account interest you paid	12	
	13 Other interest you paid (list payee's name and amount) ▶	13	
<b>Contributions You Made</b>	14 Add the amounts on lines 11a through 13. Enter the total here.	14	
	15 a Cash contributions (If you gave \$3,000 or more to any one organization, report those contributions on line 15b.)	15a	
	b Cash contributions totaling \$3,000 or more to any one organization (Show to whom you gave and how much you gave) ▶	15b	
	16 Other than cash (You must attach Form 8283 if over \$500.)	16	
	17 Carryover from prior year	17	
<b>Casualty and Theft Losses</b>	18 Add the amounts on lines 15a through 17. Enter the total here. Total contributions	18	
	19 Total casualty or theft losses (You must attach Form 4684 or similar statement.)	19	
<b>Miscellaneous Deductions</b>	20 Union and professional dues	20	
	21 Tax return preparation fee	21	
	22 Other (list type and amount) ▶	22	
	(See instructions on page 22)	23	
<b>Summary of Itemized Deductions</b>	24 Add the amounts on lines 5, 10, 14, 18, 19, and 23. Enter your answer here.	24	
	25 If you checked Form 1040 { Filing Status box 2 or 5 enter \$3,670 } { Filing Status box 1 or 4 enter \$2,480 } { Filing Status box 3 enter \$1,635 }	25	
	26 Subtract line 25 from line 24. Enter your answer here and on Form 1040, line 34a (If line 25 is more than line 24, see the instructions for line 26 on page 22.)	26	

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule A (Form 1040) 1986**

Schedule A & B (Form 1040) 1986

Name(s) as shown on Form 1040 (Do not enter name and social security number if shown on other side.)

OVB No. 1545 0074 Page 2

Your social security number

## **Schedule B—Interest and Dividend Income**

Attachment Sequence No. 08

If you received more than \$400 in interest income, you must complete Part I and list ALL interest received. If you received, as a nominee, interest that actually belongs to another person, or you received or paid accrued interest on securities transferred between interest payment dates, see page 22.

Part I Interest Income	Interest Income	Amount
1 Interest income from seller-financed mortgages (See instructions and list name of payer) ▶	1	
2 Other interest income (list name of payer) ▶	2	
Also complete Part III		
3 Add the amounts on lines 1 and 2. Enter the total here and on Form 1040, line 8 ▶	3	

If you received more than \$400 in gross dividends and/or other distributions on stock, complete Part II. If you received, as a nominee, dividends that actually belong to another person, see page 23.

Part II Dividend Income	Dividend Income	Amount
4 Dividend income (list name of payer—include on this line capital gain distributions, nontaxable distributions, etc.) ▶	4	
Also complete Part III		
5 Add the amounts on line 4. Enter the total here	5	
6 Capital gain distributions. Enter here and on line 13, Schedule D * 6	6	
7 Nontaxable distributions (See Schedule D instructions for adjustment to basis.)	7	
8 Add the amounts on lines 6 and 7. Enter the total here	8	
9 Subtract line 8 from line 5. Enter the result here and on Form 1040, line 9a	9	

\* If you received capital gain distributions for the year and you do not need Schedule D to report any other gains or losses, do not file that schedule. Instead, enter 40% of your capital gain distributions on Form 1040, line 14.

If you received more than \$400 of interest or dividends, OR if you had a foreign account or were a grantor of, or a transferor to, a foreign trust, you must answer both questions in Part III.

Part III Foreign Accounts and Foreign Trusts	Yes	No
10 At any time during the tax year, did you have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 23 of the instructions for exceptions and filing requirements for Form 1040, line 11.)		
11 Were you the grantor of, or transferor to, a foreign trust which existed during the current tax year, whether or not you have any beneficial interest in it? If "Yes," you may have to file Forms 3520, 3520-A, or 926.		

For Paperwork Reduction Act Notice, see Form 1040 Instructions. **Schedule B (Form 1040) 1986**

U.S. Government Printing Office 1986-483-082 2-25-86

<b>SCHEDULE C</b> <b>(Form 1040)</b> <small>Department of the Treasury Internal Revenue Service (10)</small>		<b>Profit or (Loss) From Business or Profession</b> <small>(Sole Proprietorship)</small> <b>Partnerships, Joint Ventures, etc., Must File Form 1065.</b> <small>► Attach to Form 1040, Form 1041, or Form 1041S. ► See Instructions for Schedule C (Form 1040).</small>		<small>OMB No. 1545-0074</small> <b>1986</b> <small>Attachment Sequence No. 09</small>
<b>Name of proprietor</b> _____		<b>Social security number</b> _____		
<b>A Principal business or profession, including product or service (see instructions)</b> _____		<b>B Principal business code</b> _____		
<b>C Business name and address</b> _____ _____ _____		<b>D Employer ID number</b> _____		
<b>E Methods used to value closing inventory</b> (1) <input type="checkbox"/> Cost (2) <input type="checkbox"/> Lower of cost or market (3) <input type="checkbox"/> Other (attach explanation) (4) <input type="checkbox"/> FIFO (5) <input type="checkbox"/> LIFO (6) <input type="checkbox"/> Other (specify) _____ <b>F</b> Was there any change in determining quantities, costs, or valuations between opening and closing inventory? If Yes, attach explanation _____ <b>G</b> Did you deduct expenses for an office in your home? If Yes, attach explanation _____ <b>H</b> If this schedule includes a loss, credit, deduction, income, or other tax benefit relating to a tax shelter required to be registered, check here <input type="checkbox"/> <b>I</b> If you check this box, you MUST attach Form 8271.				
<b>Part I Income</b> <b>1a</b> Gross receipts or sales _____ <b>1b</b> Less: Returns and allowances _____ <b>1c</b> Subtotal line 1b from line 1a and enter the balance here _____ <b>2</b> Cost of goods sold and/or operations (from Part III, line 8) _____ <b>3</b> Subtract line 2 from line 1c and enter the <b>gross profit</b> here _____ <b>4a</b> Windfall profit tax credit or refund received in 1986 (see instructions) _____ <b>b</b> Other income _____ <b>5</b> Add lines 3, 4a, and 4b. This is the <b>gross income</b> _____				
<b>Part II Deductions</b> <b>6</b> Advertising _____ <b>7</b> Bad debts from sales or services (Cash method taxpayers, see instructions) _____ <b>8</b> Bank service charges _____ <b>9</b> Car and truck expenses _____ <b>10</b> Commissions _____ <b>11</b> Depreciation _____ <b>12</b> Depreciation and section 179 deduction (below) _____ <b>13</b> Dues and publications _____ <b>14</b> Employee benefit programs _____ <b>15</b> Freight (not included in Part III below) _____ <b>16</b> Insurance _____ <b>17</b> Interest _____ <b>a</b> Mortgage (paid to financial institutions) _____ <b>b</b> Other _____ <b>18</b> Laundry and cleaning _____ <b>19</b> Legal and professional services _____ <b>20</b> Office expense _____ <b>21</b> Pension and profit-sharing plans _____ <b>22</b> Rent on business property _____ <b>23</b> Repairs _____ <b>24</b> Supplies (not included in Part III below) _____ <b>25</b> Taxes (Do not include windfall profit tax here. See line 29.) _____ <b>26</b> Travel and entertainment _____ <b>27</b> Utilities and telephone _____ <b>28a</b> Wages _____ <b>b</b> Job credit _____ <b>c</b> Subtract line 28b from 28a _____ <b>29</b> Windfall profit tax withheld in 1986 _____ <b>30</b> Other expenses (specify) _____ <b>a</b> _____ <b>b</b> _____ <b>c</b> _____ <b>d</b> _____ <b>31</b> Add amounts in columns for lines 6 through 30d. These are the <b>total deductions</b> _____ <b>32</b> <b>Net profit or (loss).</b> Subtract line 31 from line 5 and enter the result. If a profit, enter on Form 1040, line 12, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S). If a loss, you MUST go on to line 33. _____ <b>33</b> If you have a loss, you MUST answer this question: "Do you have amounts for which you are not at risk in this business (see instructions)?" If "Yes," you MUST attach Form 6198. If "No," enter the loss on Form 1040, line 12, and on Schedule SE, line 2 (or line 5 of Form 1041 or Form 1041S). _____				
<b>Part III Cost of Goods Sold and/or Operations (See Schedule C Instructions for Part III)</b> <b>1</b> Inventory at beginning of year (if different from last year's closing inventory, attach explanation) _____ <b>2</b> Purchases less cost of items withdrawn for personal use _____ <b>3</b> Cost of labor (Do not include salary paid to yourself) _____ <b>4</b> Materials and supplies _____ <b>5</b> Other costs _____ <b>6</b> Add lines 1 through 5 _____ <b>7</b> Less: Inventory at end of year _____ <b>8</b> <b>Cost of goods sold and/or operations.</b> Subtract line 7 from line 6. Enter here and in Part I, line 2, above. _____				

Schedule C (Form 1040) 1986

<b>SCHEDULE SE</b> <b>(Form 1040)</b> <small>Department of the Treasury Internal Revenue Service (10)</small>		<b>Computation of Social Security Self-Employment Tax</b> <small>► See Instructions for Schedule SE (Form 1040)</small>		<small>OMB No. 1545-0074</small> <b>1986</b> <small>Attachment Sequence No. 18</small>
<b>Name of person with self-employment income (as shown on social security card)</b> _____		<b>Social security number of person with self-employment income</b> _____		
<b>Part I Regular Computation of Net Earnings From Self-Employment</b> <b>Note:</b> If you performed services for certain churches or church-controlled organizations and you are not a minister or a member of a religious order, see the instructions before completing the schedule.		<b>1</b> Net farm profit or (loss) from Schedule F (Form 1040), line 38, and farm partnerships, Schedule K-1 (Form 1065), line 13a _____		
<b>2</b> Net profit or (loss) from Schedule C (Form 1040), line 32, and Schedule K-1 (Form 1065), line 13a (other than farming). (See instructions for how to report.) Employees of an electing church or church-controlled organization do NOT enter your Form W-2 wages on line 2. See the instructions.		<b>3</b> <b>Net earnings from self-employment.</b> Enter the net earnings from line 1, line 2, or line 3a, whichever is the largest amount. If you are a minister, member of a religious order, or Christian Science practitioner because you filed Form 4361, see instructions for kinds of income to report. If you have other earnings of \$400 or more that are subject to self-employment tax, include those earnings on line 2. _____		
<b>Part II Optional Computation of Net Earnings From Self-Employment</b> <b>(See "Who Can Use Schedule SE" in the instructions. Also see instructions for other limitations.)</b> <b>1</b> Generally, this part may be used only if you meet any of the following tests: <b>A</b> Your gross farm income was not more than \$2,400, or <b>B</b> Your gross farm income was more than \$2,400 and your net farm profits were less than \$1,600, or <b>C</b> Your net farm profits were less than \$1,600 and your net nonfarm profits were at least two-thirds (2/3) of your gross nonfarm income.		<b>2</b> Enter the amount from Part I, line 3, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>3</b> Maximum income for optional methods: <b>a</b> Farm Optional Method—If you meet test A or B above, enter the smaller of two-thirds (2/3) of gross farm income from Schedule F (Form 1040), line 12, and farm partnerships, Schedule K-1 (Form 1065), line 13b, or \$1,600. <b>b</b> Subtract line 4 from line 3. _____		<b>4</b> Enter the amount from Part I, line 2, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>5</b> Nonfarm Optional Method—If you meet test C above, enter the smallest of two-thirds (2/3) of gross nonfarm income from Schedule C (Form 1040), line 5, and Schedule K-1 (Form 1065), line 13c (other than farming), or \$1,600, or if you elected the farm optional method, the amount on line 5. _____		<b>6</b> Enter the amount from Part I, line 1, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>Part III Computation of Social Security Self-Employment Tax</b> <b>1</b> Enter the amount from Part I, line 1, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>2</b> Enter the amount from Part I, line 2, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>3</b> Enter the amount from Part I, line 3, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>4</b> Enter the amount from Part I, line 4, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>5</b> Enter the amount from Part I, line 5, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>6</b> Enter the amount from Part I, line 6, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>7</b> Enter the amount from Part I, line 7, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>8</b> Enter the amount from Part I, line 8, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>9</b> Enter the amount from Part I, line 9, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>10</b> Enter the amount from Part I, line 10, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>11</b> Enter the amount from Part I, line 11, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>12</b> Enter the amount from Part I, line 12, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		
<b>13</b> Enter the amount from Part I, line 13, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		<b>14</b> Enter the amount from Part I, line 14, or if you elected the farm optional method, Part II, line 4, or if you elected the nonfarm optional method, Part II, line 6, or if you elected the combined optional method, Part II, line 8. _____		

Schedule SE (Form 1040) 1986





U.S. G.P.O. 1986-493-094



**SCHEDULE F**  
(Form 1040)  
Department of the Treasury  
Internal Revenue Service

**Farm Income and Expenses**  
▶ Attach to Form 1040, Form 1041, Form 1041S, or Form 1065.  
▶ See instructions for Schedule F (Form 1040).

OMB No. 1545-0074  
**1986**  
Instructions  
Sequence No. 14

**A Principal Product** (Describe above) Two words: your principal crop or product (or the current tax year)

**C Accounting Method**  
☐ Cash ☐ Accrual

**B Agricultural Activity Code** (The codes are on page 2.) ▶  
Employer (O number) (NOT SSN)

**o** If you made an election in a prior year to include commodity credit loan proceeds as income in that year, check here

**Part I Farm Income—Cash Method—Complete Parts I and II**  
(Accrual method taxpayers complete Parts II and III, and line 12 of Part I)

**Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797.**

1 Sales of livestock and other items you bought for resale

2 Cost or other basis of livestock and other items you bought for resale

3 Subtract line 2 from line 1

4 Sales of livestock, produce, grains, and other products you raised

5a Total distributions received from cooperatives (from Form 1099-PATR)

5b Less: Nonincome items

6 Net distributions. Subtract line 5b from line 5a

7 Agricultural program payments

8 Materials and services

9 Crop insurance proceeds. If election attached to include in income in year following damage, check here ▶ ☐

10 Machine work

11 Other income, including Federal and state gasoline tax credit or refund (see instructions)

12 Gross income. Add amounts on lines 3, 4, 6, and 7a through 11. If accrual method taxpayer, enter the amount from Part III, line 53

**Part II Farm Deductions—Cash and Accrual Method**  
Do not include personal or living expenses (such as taxes, insurance, repairs, etc., on your home) which do not produce farm income. Reduce the amount of your farm deductions by any reimbursements before entering the deduction below.

13 Breeding fees

14 Chemicals

15 Conservation expenses

16 Depreciation, and section 179 expense deduction (from Form 4562)

17 Employee benefit programs other than on line 27

18 Feed purchased

19 Fertilizers and lime

20 Freight, trucking

21 Gasoline, fuel oil

22 Insurance

23 Interest

a Mortgage (paid to financial institutions)

b Other

24 Labor hired

b Jobs credit

25 Net labor hired (subtract line 24b from line 24a)

37 Total deductions from Part II. Add amounts in columns for lines 13 through 36

38 Net farm profit or (loss) (subtract line 37 from line 12). If a profit, enter on Form 1040, line 19, and on Schedule SE, Part I, line 1. If a loss, you MUST go on to line 39 (fiduciaries and partnerships, see the instructions.)

39 If you have a loss, you MUST answer this question  
"Do you have amounts for which you are not at risk in this farm?" (See instructions)  
If "Yes," you MUST attach Form 6196. If "No," enter the loss on Form 1040, line 19, and on Schedule SE, Part I, line 1.

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule F (Form 1040) 1986

Schedule F (Form 1040) 1986

Page 2

**Part III Farm Income—Accrual Method**

Do not include sales of livestock held for draft, breeding, sport, or dairy purposes; report these sales on Form 4797 and do not include them on line 48 below.

40 Sales of livestock, produce, grains, and other products during year

41a Total distributions received from cooperatives (from Form 1099-PATR)

b Less: Nonincome items

42 Net distributions. Subtract line 41b from line 41a

43 Agricultural program payments

a Cash

b Materials and services

44 Commodity credit loans under election (or forfeited)

45 Machine work

46 Other income, including Federal and state gasoline tax credit or refund (see instructions)

47 Total. Add amounts on lines 40 and 42 through 46

48 Inventory of livestock, produce, grains, and other products at beginning of year

49 Cost of livestock, produce, grains, and other products purchased during year

50 Add lines 48 and 49

51 Inventory of livestock, produce, grains, and other products at end of year

52 Cost of livestock, produce, grains, and other products sold. Subtract line 51 from line 50 \*

53 Gross income. Subtract line 52 from line 47. Enter here and on Part I, line 12

\* If you use the unit-livestock price method or the farm-price method of valuing inventory and the amount on line 51 is larger than the amount on line 50, subtract line 50 from line 51. Enter the result on line 52 and add lines 47 and 52. Enter the total on line 53.

**Principal Agricultural Activity Codes**

Select one of the following codes and write the 4 digit number on line 8 on page 1 of this schedule. (Note: If your principal source of income is from providing agricultural services, such as soil preparation, veterinary, farm labor, horticultural, or management services on a contract basis, you should file Schedule C (Form 1040), Profit or Loss From Business or Profession.)

0120 Field crop, including grains and nongrains such as cotton, peanuts, feed corn, wheat, tobacco, Irish potatoes, etc.

0160 Vegetables and melons, garden-type vegetables and melons, such as sweet corn, tomatoes, squash, etc.

0170 Fruit and tree nuts, including grapes, berries, olives, etc.

0180 Horticultural specialty, including the growing of ornamental floriculture and nursery products such as plants, shrubbery, bulbs, flowers, sod, etc.

0211 Beefcattle feedlots

0212 Beefcattle, except feedlots

0215 Hogs, sheep, and goats

0240 Dairy

0250 Poultry and eggs, including chickens, ducks, pigeons, quail, etc.

0260 General livestock, not specializing in any one livestock category

0270 Animal specialty, including fur-bearing animals, pets, fish, horses, etc.

0300 Agricultural production, not specified

Schedule G  
(Form 1040)OMB No. 1545-0074  
1986  
Attachment  
Sequence No. 16

## Income Averaging

▶ See instructions on back. ▶ Attach to Form 1040.

OMB No. 1545-0074  
1986  
Attachment  
Sequence No. 16OMB No. 1545-0074  
1986  
Attachment  
Sequence No. 16

Name(s) as shown on Form 1040

Your social security number

## Step 1 Add your income from 1983-1985

1983	1	Enter the amount from your 1983 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero.	1
1984	2	Enter the amount from your 1984 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero.	2
1985	3	Enter the amount from your 1985 Form 1040 (line 37), Form 1040A (line 19), or Form 1040EZ (line 7). If less than zero, enter zero.	3
Total	4	Enter all income less deductions earned outside of the U.S. or within U.S. possessions and excluded for 1983 through 1985 (include housing exclusion).	4
	5	Add lines 1 through 4.	5

## Step 2 Figure your averageable income

6	Divide the amount on line 5 by three (3).	6
7	Multiply the amount on line 6 by 140% (1.4).	7
8	Enter your taxable income for 1986 from Form 1040, line 37.	8
9	If you received a premature or excessive distribution subject to a penalty under section 72, see instructions.	9
10	Subtract line 9 from line 8.	10
11	If you live in a community property state and are filing a separate return, see instructions.	11
12	Subtract line 11 from line 10. If less than zero, enter zero.	12
13	Enter the amount from line 7 above.	13
14	Subtract line 13 from line 12. This is your averageable income. If this line is \$3,000 or less, do not complete the rest of this form.	14

## Step 3 Figure your tax

15	Multiply the amount on line 14 by 25% (0.25).	15
16	Enter the amount from line 7 above.	16
17	Add lines 15 and 16.	17
18	Enter the amount from line 11 above.	18
19	Add lines 17 and 18.	19
20	Tax on amount on line 19 (from Tax Rate Schedule X, Y, or Z).	20
21	Tax on amount on line 17 (from Tax Rate Schedule X, Y, or Z).	21
22	Tax on amount on line 16 (from Tax Rate Schedule X, Y, or Z).	22
23	Subtract line 22 from line 21.	23
24	Multiply the amount on line 23 by 3.	24
25	If you have no entry on line 9, skip lines 25 through 27 and go to line 28.	25
26	Tax on amount on line 8 (from Tax Rate Schedule X, Y, or Z).	26
27	Subtract line 26 from line 25.	27
28	Add lines 20, 24, and 27. If the result is less than the tax figured from the tax rate schedule or tax table, also enter on Form 1040, line 38, and check the Schedule G box.	28

For Paperwork Reduction Act Notice, see Form 1040 instructions.

Schedule G (Form 1040) 1986

Schedule W  
(Form 1040)OMB No. 1545-0074  
1986  
Attachment  
Sequence No. 20Deduction for a Married Couple  
When Both Work▶ For Paperwork Reduction Act Notice, see Form 1040 Instructions.  
▶ Attach to Form 1040.OMB No. 1545-0074  
1986  
Attachment  
Sequence No. 20OMB No. 1545-0074  
1986  
Attachment  
Sequence No. 20

Your social security number

## Step 1 Figure your earned income

	(a) You	(b) Your spouse
1	Wages, salaries, tips, etc., from Form 1040, line 7. (Do not include pensions or annuities reported on Form 1040, line 16 or lines 17a and 17b.)	1
2	Net profit or (loss) from self-employment (from Schedules C and F (Form 1040), Schedule K 1 (Form 1065), and any other earned income).	2
3	Add lines 1 and 2. This is your total earned income.	3

## Step 2 Figure your qualified earned income

4	Add amounts entered on Form 1040, lines 25, 26, 27, and any repayment of supplemental unemployment benefits (sub pay) included on line 31. Enter the total (see instructions below).	4
5	Subtract line 4 from line 3. This is your qualified earned income. If the amount in column (a) or (b) is zero (0) or less, stop here. You may not take this deduction.	5

## Step 3 Figure your deduction

6	Compare the amounts in columns (a) and (b) of line 5 above. Enter the smaller amount here. (Enter either amount if 5(a) and 5(b) are the same.) Do not enter more than \$30,000.	6
7	Percentage used to figure the deduction (10%).	7
8	Multiply the amount on line 6 by the percentage on line 7. This is the amount of your deduction. Enter the answer here and on Form 1040, line 30.	8

## Instructions

Complete this schedule and attach it to your Form 1040 if you take the deduction for a married couple when both work. You may take the deduction if both you and your spouse

- work and have qualified earned income; and
- file a joint return, and
- do not file Form 2555 to exclude income or to exclude or deduct certain housing costs, and
- do not file Form 4563 to exclude income.

There are three steps to follow in figuring the deduction on Schedule W. **Step 1 (lines 1, 2, and 3)**—Figure your earned income separately for yourself and your spouse.

**Earned income**—This is generally income you receive for services you provide. It includes wages, salaries, tips, commissions, sub pay, etc. (from Form 1040, line 7). It also includes income earned from self-employment (from Schedules C and F of Form 1040), and net Schedule K 1 of Form 1065), and net

earnings and gains (other than capital gains) from the disposition, transfer, or licensing of property that you created. Earned income does not include interest, dividends, social security benefits, IRA distributions, unemployment compensation, deferred compensation, or nontaxable amounts you or your spouse paid you.

**Caution:** Do not consider community property laws in figuring your earned income.

**Step 2 (lines 4 and 5)**—Figure qualified earned income separately for yourself and your spouse by subtracting certain adjustments from earned income.

**Qualified earned income**—This is the amount on which the deduction is based. Figure it by subtracting the total of certain adjustments from earned income. These adjustments (and the related lines on Form 1040) are:

- Employee business expenses (from line 25)
- IRA deduction (from line 26)
- Keogh retirement plan and self-employed SEP deduction (from line 27)

• Repayment of sub-pay included in the total on line 31. See the instructions on repayment of sub-pay on page 12 of the Form 1040 instructions.

Enter the total of any adjustments that apply to you or your spouse's earned income in the appropriate column of line 4.

**Step 3 (lines 6, 7, and 8)**—Figure the deduction based on the smaller of

- the qualified earned income entered in column (a) or (b) of line 5, whichever is less, OR
- \$30,000.

**Example.**—You earned a salary of \$20,000 and had \$3,000 of employee business expenses (Form 1040, line 25). Your spouse earned \$17,000 (Form 1040, line 26). Your qualified earned income is \$17,000 (\$20,000 minus \$3,000) and your spouse's is \$16,000 (\$17,000 minus \$1,000). Because your spouse's qualified earned income is less than yours, the deduction is based on your income. Therefore, the deduction is \$1,600 (\$16,000 x 10%).

Schedule W (Form 1040) 1986



Schedule R  
(Form 1040)Department of the Treasury  
Internal Revenue ServiceCredit for the Elderly or for the  
Permanently and Totally Disabled▶ For Paperwork Reduction Act Notice, see separate instructions.  
▶ Attach to Form 1040

Name (Last, first, and middle initial)

OMB No. 1545-0074

1986  
Attachment  
Sequence No. 17

Your social security number

You may be able to use Schedule R to reduce your tax if by the end of 1986:

- You were 65 or over; OR
  - You were under 65, you retired on permanent and total disability, and you received taxable disability income.
- Even if one of the situations described above applies to you, you must meet other tests to be able to take the credit on Schedule R. See the separate instructions for details.
- Note: IRS can figure this credit and your tax for you. See page J3 of the Form 1040 instructions.

## Part I Check the Box That Applies to Your Filing Status and Age (Check only one box)

If you  
filing  
status is:

And by the end of 1986:

Single\* 1 You were 65 or over

2 You were under 65 and you retired on permanent and total disability

\* Includes head of household and qualifying widow(er) with dependent child

3 Both spouses were 65 or over

4 Both spouses were under 65, but only one spouse retired on permanent and total disability

5 Both spouses were under 65 and both retired on permanent and total disability

6 One spouse was 65 or over, and the other spouse was under 65 and NOT retired on permanent and total disability

7 One spouse was 65 or over, and the other spouse was under 65 and NOT retired on permanent and total disability

8 You were 65 or over, and you did not live with your spouse at any time in 1986

9 You were under 65, you retired on permanent and total disability, and you did not live with your spouse at any time in 1986

Note: If you checked the box on line 1, 3, 7, or 8, skip Part II and complete Part III. If you checked the box on line 2, 4, 5, 6, or 9, complete Parts II and III.

## Part II Statement of Permanent and Total Disability (Complete only if you checked the box on line 2, 4, 5, 6, or 9 above)

IF: 1 You filed a physician's statement for this disability for 1983 or an earlier year, or you filed a statement for tax years after 1983 and your physician checked Box B on the statement. AND

2 Due to your continued disabled condition you were unable to engage in any substantial gainful activity in 1986, check this box ☐ A ☐ B

If you checked this box, you do not have to file another statement for 1986. If you did not check this box, have your physician complete the following statement.

## Physician's Statement

I certify that

Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, OR was permanently and totally disabled on the date he or she retired. Date retired:  retired after December 31, 1976. ▶

Physician: Sign your name on either line A or B below and check the box to the right of your signature.

A The disability has lasted, or can be expected to last.

B There is no reasonable probability that the disabled condition will ever improve.

Physician's signature

Date

Physician's address

Physician's name

## Instructions for Statement

Taxpayer

Enter in the space provided the date you retired if you retired after December 31, 1976.

(Continued on back)

## Physician

A physician determines that the disabled person is permanently and totally disabled when—

1. has lasted, or can be expected to last, continuously for at least a year, or

2. can be expected to lead to death

Schedule R (Form 1040) 1986

Schedule R (Form 1040) 1986

Page 2

## Part III Figure the Amount of Your Credit

10 Enter \$5,000 if you checked the box on line 1, 2, 4, or 7 in Part I, OR \$7,500 if you checked the box on line 3, 5, or 6 in Part I, OR \$3,750 if you checked the box on line 8 or 9 in Part I.

Caution: If you checked the box on line 2, 4, 5, or 9 in Part I, you MUST complete line 11 below. Otherwise, skip line 11 and enter the amount from line 10 on line 12.

11 Enter on this line your taxable disability income (and also your spouse's if you checked the box on line 5 in Part I) that you reported on Form 1040. However, if you checked the box on line 6 in Part I, enter on this line the taxable disability income of the spouse who was under age 65 PLUS \$5,000. (For more details on what to include, see the instructions.)

12 If you completed line 11 above, compare the amounts on lines 10 and 11, and enter the smaller of the two amounts on this line. Otherwise, enter the amount from line 10 on this line.

13 Enter the following pensions, annuities, or disability income that you (and your spouse if you file a joint return) received in 1986:

a Nontaxable part of social security benefits

b Nontaxable part of railroad retirement benefits treated as social security, and

c Add lines 13a and 13b. (Even though these income items are not subject to income tax, they must be included to figure your credit.) If you did not receive any of the types of nontaxable income listed on line 13a or 13b, enter 0 on line 13c.

14 Enter the amount from Form 1040, line 33

15 Enter \$7,500 if you checked the box on line 1 or 2 in Part I, OR \$10,000 if you checked the box on line 3, 4, 5, 6, or 7 in Part I, OR \$5,000 if you checked the box on line 8 or 9 in Part I

16 Subtract line 15 from line 14. Enter the result. If line 15 is more than line 14, enter 0.

17 Divide the amount on line 16 by 2. Enter the result.

18 Add lines 13c and 17. Enter the total.

19 Subtract line 18 from line 12. Enter the result. If the result is zero or less, stop here; you cannot take the credit. Otherwise, go on to line 21.

20 Percentage used to figure the credit

21 Multiply the amount on line 19 by the percentage (15) on line 20 and enter the result. This is your credit for the elderly or for the permanently and totally disabled. Also enter this amount on Form 1040, line 42.

Page 2

Form 3468 (1986)

OMB No. 1545-0155

Form 3468

Department of the Treasury  
Internal Revenue Service (10)

## Computation of Investment Credit

▶ Attach to your tax return.

▶ Schedule B (Business Energy Investment Credit) on back.

Name(s) as shown on return

1986  
Attachment  
Sequence No. 24

Identifying number

## Part I Elections (Check the box(es) below that apply to you (See Instruction D).)

- A** I elect to increase my qualified investment by all qualified progress expenditures (QPE) made this and all later tax years ☐
- B** I claim full credit on certain ships under section 46(g)(3) (See Instruction B for details) ☐

## Part II Qualified Investment (Certain Transition Property, QPE Property, and Qualified Timber Property)

1	Recovery Property	Line	Class of Property	(1)	(2)	(3)	(4)
	Regular Percentage						
		New Property	(a)	3-year	Cost or Other Basis	Applicable Percentage	Qualified Investment (Column 2 x column 3)
		Used Property	(b)	3-year		60	
			(c)	3-year		100	
		New Property	(d)	Other		60	
		Used Property	(e)	3-year		100	
			(f)	Other		40	
			(g)	3-year		80	
			(h)	Other		40	
			(i)	Other		80	

2 Nonrecovery property—Enter total qualified investment (See instructions for line 2)

3 Total qualified investment in 10% property—Add lines 1(a) through 1(h), and 2 (See instructions for special limits)

4 Regular credit—Multiply line 3 by 10% (FY 1986-87 filers, see instructions for line 4)

5 Qualified rehabilitation expenditures (enter qualified investment and multiply by percentage shown)

a Rehabilitation Property placed in service before 1-1-87:

(i) 30-year-old buildings

(ii) 40-year-old buildings

(iii) Certified historic structures (attach NPS certificate)

Fiscal year 1986-87 filers only

b Transition Property and Certain Projects placed in service after 12-31-86:

(i) 30-year-old buildings

(ii) 40-year-old buildings

(iii) Certified historic structures (attach NPS certificate)

c Rehabilitation Property (not shown above) placed in service after 12-31-86:

(i) Pre-1936 buildings

(ii) Certified historic structures (attach NPS certificate)

6 Credit from cooperatives—Enter regular investment credit from cooperatives

7 Business energy investment credit—From line 7 of Schedule B (see back of this form)

8 Current year investment credit—Add line 4 through line 7

Note: If you have a 1986-87 credit (Form 5884), credit for alcohol used as fuel (Form 6478), research credit (Form 6765), low-income housing credit (Form 8586), or employee stock ownership plan (ESOP) credit (Form 8007) in addition to your 1986 investment credit, or if you have a carryback or carryforward of any general business credit, stop here and go to Form 3800, General Business Credit, to claim your 1986 investment credit. If you have only a 1986 investment credit, skip lines 5 through 8 and go to line 9.

Part III Tax Liability Limitations

9a Individuals—From Form 1040, enter amount from line 45

b Corporations—From Form 1120, Schedule J, enter tax from line 3 (or Form 1120-A, Part I, line 1)

c Other filers—Enter income tax before credits from return

10a Individuals—From Form 1040, enter credit from line 46, plus any orphan drug and nonconventional source fuel credits included on line 48

b Corporations—From Form 1120, Schedule J, enter credits from lines 4(a) through 4(c) (Form 1120-A filers, enter zero)

c Other filers—See instructions for line 10c

11 Income tax liability as adjusted (subtract line 10 from line 9)

12a Enter smaller of line 11 or \$25,000 (See instructions for line 12)

b If line 11 is more than \$25,000—Enter 75% of the excess

13 Investment credit limitation—Add lines 12a and 12b

14 Total allowed credit—Enter the smaller of line 8 or line 13—This is your General Business Credit for 1986. Enter here and on Form 1040, line 47, Form 1120, Schedule J, line 4(e), Form 1120-A, Part I, line 2, or the proper line of other returns

For Paperwork Reduction Act Notice, see separate instructions.

Form 3468 (1986)

## Schedule B—Business Energy Investment Credit

1	Enter on lines 1(a) through 1(e) your qualified investment in business energy property.	(1) Type of Property	(2) Class of Property or Life Term	(3) Date	(4) Applicable Percentage	(5) Qualifying Investment (Column 3 x column 4)
	Recovery	(a)	3-year		60	
		(b)	Other		100	
		(c)	3 or more but less than 5		33 1/3	
	Nonrecovery	(d)	5 or more but less than 7		66 2/3	
		(e)	7 or more		100	

2 Total qualified investment—Add lines 1(a) through 1(e), column (5)

3 1986 credit (15% times the portion of the line 2 amount attributable to energy property placed in service by 12-31-86)

4 1986-87 fiscal year filers—Multiply the portion of the line 2 amount attributable to property placed in service after 12-31-86 by the following percentages:

a Solar energy property (12%)

b Biomass and geothermal property (10%)

c Ocean thermal property (15%)

5 Certain other property (See instructions below for special limits)

a Certain long-term section 46(b)(2)(A)(i) projects underway by 12-31-82 (10%)

b Hydroelectric generating property placed in service during the year (if docketed with the Federal Energy Regulatory Commission by 12-31-85) (11%)

6 Cooperative credit—Enter business energy investment credit from cooperatives

7 Tentative business energy investment credit—Add lines 3 through 6. Enter here and on line 7 of page 1

Line 1—Type of Property—For definition of recovery and nonrecovery property, see the separate Instructions for Form 3468

Line 1—Column (2)—Use the code letters from the following list to indicate the kind of property for which you are claiming a credit. Enter the code letter for each kind of property in column (2) and the code letter and dollar amount of each kind of property in the right hand margin

The code letters are:

a. Biomass property

b. Hydroelectric generating property

c. Solar equipment (but not passive solar equipment)

d. Ocean thermal equipment

e. Geothermal equipment

See sections 48(b)(4) and 48(c)(3)(A)(viii) for definitions and special rules that apply to these kinds of property

Line 5.—The section 48(b)(4) election to take a reduced credit instead of adjusting the basis of the energy property on line 5 is not available for property placed in service after October 31, 1985. To claim a credit, reduce the basis by the full amount of the credit claimed.

One Credit Only.—If property qualifies as more than one kind of energy property, you may take only one credit for the property

If the installed capacity of hydroelectric generating property is more than 25 megawatts, the 11% energy credit is allowed for only part of the qualified investment. See section 48(b)(1)(C).

On the dotted line for line 5b, enter the megawatt capacity of the generator as shown on the nameplate of the generator

If you are a 1986-87 fiscal-year filer with a 1986-87 credit, enter the amount for July 1, 1987 (filing before and ending after July 1, 1987) in column (2) and the dollar amount of each kind of property in the right hand margin

The code letters are:

a. Biomass property

b. Hydroelectric generating property

c. Solar equipment (but not passive solar equipment)

d. Ocean thermal equipment

e. Geothermal equipment

See sections 48(b)(4) and 48(c)(3)(A)(viii) for definitions and special rules that apply to these kinds of property

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